STANDING COMMITTEE ON PUBLIC ACCOUNTS

REPORT ON IT PROJECTS AND SUPPORT
The powers, privileges and immunities relating to the work of a committee of Tynwald are those conferred by sections 3 and 4 of the Tynwald Proceedings Act 1876, sections 1 to 4 of the Privileges of Tynwald (Publications) Act 1973 and sections 2 to 4 of the Tynwald Proceedings Act 1984.

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All correspondence with regard to this Report should be addressed to the Clerk of Tynwald, Legislative Buildings, Bucks Road, Douglas IM1 3PW.
REMIT OF THE COMMITTEE

(1) There shall be a Standing Committee on Public Accounts.

(2) The Committee shall have -

(a) a Chairman elected by Tynwald,
(b) a Vice-Chairman elected by Tynwald,
(c) three other Members, who shall be Chairman of each of the Policy Review Committees (ex officio).

(3) Members of Tynwald shall not be eligible for membership of the Committee, if, for the time being, they hold any of the following offices: President of Tynwald, member of the Council of Ministers, member of the Treasury Department referred to in section 1(2)(b) of the Government Departments Act 1987.

(4) The Committee shall -

(a) (i) consider any papers on public expenditure and estimates presented to Tynwald as may seem fit to the Committee;
(ii) examine the form of any papers on public expenditure and estimates presented to Tynwald as may seem fit to the Committee;
(iii) consider any financial matter relating to a Government Department or Statutory Body as may seem fit to the Committee;
(iv) consider such matters as the committee may think fit in order to scrutinise the efficiency and effectiveness of the implementation of Government policy; and
(v) lay an Annual Report before Tynwald at each December sitting and any other reports as the Committee may think fit.

(b) be authorised in terms of section 3 of the Tynwald Proceedings Act 1876 and the Standing Orders to take evidence and summon the attendance of witnesses and further to require the attendance of Ministers for the purpose of assisting the Committee in the consideration of its terms of reference.

(5) The Chairman, Vice-Chairman and any member of the Committee shall not sit when the accounts of any body of which that person is a member are being considered.
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### Abbreviations and definitions of technical terms

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<th>Abbreviation</th>
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<tr>
<td>Benchmarking</td>
<td>A measurement of the quality of an organisation's policies, products, programs, strategies, etc., and their comparison with standard measurements, or similar measurements of its peers.</td>
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<td>ICT</td>
<td>Information and Communication Technology.</td>
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<td>ISD</td>
<td>Information Systems Division, Department of Economic Development.</td>
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<tr>
<td>ISO27001</td>
<td>ISO 27001 offers a comprehensive set of controls, based on best practice in information security, comprising of components such as confidentiality, integrity and availability.</td>
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<tr>
<td>KPI</td>
<td>Key Performance Indicator.</td>
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<tr>
<td>PISAM</td>
<td>The PISAM framework is a managed service provided to government which encompasses all activities in relation to Procurement, Installation, Support and Maintenance.</td>
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<tr>
<td>PRINCE2</td>
<td>(PRojects IN Controlled Environments) is a process-based method for effective project management. It is a de facto standard used extensively by the UK Government and is widely recognised and used in the private sector, both in the UK and internationally.</td>
</tr>
<tr>
<td>Service Transformation Group</td>
<td>A group comprising Accounting Officers, Chief Internal Auditor, Information Systems Division Director and the Programme Director, Chief Secretary's Office.</td>
</tr>
<tr>
<td>VFM</td>
<td>Value for Money.</td>
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<tr>
<td>Virtualisation</td>
<td>“Virtualisation provides a virtual allocation of operating system and memory. Traditionally, in the co-hosting world, what you had was one operating system and lots of applications residing under it. Now, in effect, with virtualisation, we create a virtual instance of the operating system and the application running under it. In that context, we are able to maintain, fix, manage the application in its virtual operating system environment, without impacting on another application under its own virtual operating system environment, albeit that it be on the same hardware”.¹</td>
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To: The Hon Clare M Christian MLC, President of Tynwald, and the Hon Council and Keys in Tynwald assembled

REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS ON IT PROJECTS

I. INTRODUCTION

Background to the Investigation

1. The Committee considers all Internal Audit Reports as part of its routine procedures. One of those Reports issued in April 2010 dealt with the Department of Community, Culture and Leisure’s Bus Ticketing System. The Internal Audit investigation had been undertaken at the request of the Minister in response to a question in the Legislative Council on 10 November 2009 from Mr E G Lowey MLC.

2. Mr J R Turner MLC, answering on behalf of the Department, advised that since its introduction in 2006 the Bus Ticketing System had cost £381,430. The system could not support the introduction of smartcard payments but an add-on facility may be possible which would be at additional cost. Mr Turner undertook to provide further information to Council on the breakdown of expenditure to date.

3. The Internal Audit examination found that “the implementation of a replacement bus ticketing system has been problematic” and identified the following issues:

(a) The invitation to tender was issued in November 2006 but the contract was not signed until July 2008, the majority of that time having been spent on protracted contract negotiations;

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2 Internal Audit Report 2010/175. App 3
3 Prior to April 2010, the Department of Tourism and Leisure
4 Hansard LegCo 10 November 2009 25-27 C127
(b) There were "continuing problems with the system, in particular in relation to the adequacy of ticket sales to cash reconciliation processes."

(c) The project management documents produced by Intelligence Ltd, who had been contracted by ISD, "did not provide sufficient detail of the processing and operation of the required bus ticketing system." Intelligence Ltd were paid £39,780 for their project management.

(d) Specifications were changed throughout the process and Internal Audit found that, "there was an apparent weakness in project change control, with no clear audit trail for the authorisation of these major changes to scope."

(e) Internal Audit reported that, "The process of selecting the prospective suppliers of bus ticketing systems was flawed", because a restrictive tendering procedure had been carried out whereby only potential suppliers known to the project team had been invited to tender. In addition, the tenders submitted were not on a like-for-like basis, as the higher tenders were delivering more functionality.

(f) Internal Audit concluded that the project management methodology set out in the ICT guidelines was followed, but "it did not operate as well as it could have" and the "main contributing factor was the lack of detailed assessment and review of the existing processes and detailed specification of requirements".

(g) One of the major complications was ISD's insistence that the system should be networked, although none of the potential suppliers' systems are normally networked, but are stand-alone systems. The efforts to make the system fit with the Government network architecture led to a number of technical problems.

Internal Audit concluded that it is important that Departments own and drive their projects, whilst ISD provide implementation support and co-ordination with Government's activities.

4. When this Report was considered by the Committee, Committee members reported that they were aware of similar concerns about some of the IT projects within their own Departments. It was therefore agreed that a sub-committee be set up to examine whether a full investigation was appropriate.
Remit of the Sub-Committee

5. The Sub-Committee, comprising Mr Gill (Chairman), Mr Butt and Mr Cregeen, was set up in June 2010 and it was decided that the remit of their examination would include the following:

(a) What business analysis/process mapping is undertaken to ensure compliance with the ICT Policy? Are ISD procedures and documents standardised as much as possible and updated in response to changes?

(b) Are off-the-shelf products used where appropriate? Is compatibility with existing systems always a requirement, or evaluated for each project?

(c) Are the procedures for large projects the same as for smaller?

(d) How do Departments/ISD ensure that project teams include officers with the necessary expertise and knowledge? Is there a clear audit trail over any changes to the scope of a project? Are changes approved by an officer with appropriate seniority?

(e) Are the tender procedures satisfactory? What steps are taken to ensure that suppliers deliver the service as set out in their tender?

(f) Are the consultants employed by ISD sufficiently knowledgeable about Government systems and requirements?

(g) Is liaison between ISD and Departments satisfactory?

(h) Are adequate steps taken to ensure Value for Money?

Government ICT Policy

6. The ICT policy\(^5\) was set by the Council of Ministers in October 2007, with the aim of enabling "an over-arching perspective of ICT and its contribution to the effectiveness and productivity of Public Service, as well as driving a more efficient cost base for ICT in Government."

Information Systems Division

7. Since April 2010, ISD has been part of the Department of Economic Development. Their website page advises that:

\(^5\) CoMin ICT Policy. App 5
"ISD provides a complete range of information technology services to all Government Departments from high level strategy through to system procurement, operations and support. More detailed responsibilities include:

- Government ICT strategy.
- Adopt best practice standards ensuring ongoing independent external assessment.
- Identify and initiate strategic projects aimed at maintaining a corporate approach across Government.
- Effective operation of the Government's computer server platforms.
- Effective operation of Government's computer networks and telecommunications infrastructure.
- Effective operation of key corporate services e.g. mail and messaging, printing services, telephone switchboard.
- Ensure Departmental ICT initiatives are consistent with key Jupiter principles and standards to facilitate a joined up approach.
- Manage IoMG’s ICT Governance model.
- Work in partnership with departments to:
  - develop departmental ICT Strategies.
    - carry out Service Investigations and Business Case analysis.
    - arrange the complete project lifecycle of approved projects.
    - Liaise with appropriate authorities in other jurisdictions.
  - Provide key performance measures.
  - Monitor other jurisdictions' use of technology.
  - Monitor emerging technologies.
  - Maintain an annual independent measurement of the use of technology in Government."

8. As part of our examination we obtained the following information from ISD

(a) their protocols;
(b) details of IT expenditure on consultants;
(c) the PISAM framework.

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6 Memo from ISD dated August 2010. App 4
7 Memo from ISD dated 12 May 2011. App 4
9. We also considered the Report of the UK National Audit Office "Delivering successful IT-enabled business change" dated November 2006\(^8\). That Report concluded in paragraph 4 that:

"Analysis of our case studies identified three key and recurring themes in successful programmes and projects:

- the level of engagement by senior decision makers of the organisations concerned;
- organisations' understanding of what they needed to do to be an "intelligent client"; and
- their understanding of the importance of determining at the outset what benefits they were aiming to achieve and, importantly, how programmes and projects could be actively managed to ensure these benefits were optimised."

10. The Report identified the following "Nine Key Questions for departments embarking on major IT-enabled business change":

- Ensuring senior level engagement
  1. Is the board able to make informed judgements about the department's capacity to manage change?
  2. Does the department have in place a decision making structure that will ensure strong and effective leadership of the IT-enabled business change?
  3. What incentives exist to drive performance?

- Acting as an intelligent client
  4. Does the department have the necessary programme management skills?
  5. What is the natural division of duties between the Programme and Project Management Centre of Excellence and the Chief Information Officer?
  6. How will the department establish and promote an open and constructive relationship with suppliers?
  7. How clear is the department about the business process that it is seeking to change or develop?
  8. Does the technology exist to deliver the change?

- Realising the benefits of change
  9. Beyond immediate technical success, how will wider benefits be secured?"

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\(^8\) Report of the National Audit Office "Delivering successful IT-enabled business change"
Initial discussions on IT Projects

11. We commenced an information-gathering exercise by holding informal discussions with officers from IT sections from the following Departments who have experience of undertaking IT projects:

(a) Department of Education and Children
(b) Department of Health
(c) Department of Social Care
(d) Department of Infrastructure
(e) Department of Economic Development

12. Obviously, the above Departments had very different experiences of ISD involvement in their IT projects and the officers we had discussions with would not all concur with each of the following points, but we did identify these concerns during our discussions:

(a) There was general agreement with the aims of ISD to maintain a high level of security and standardisation and recognition of substantial improvements in these areas over recent years. The standardisation of databases throughout Government has been of significant benefit;

(b) ISD sometimes fail to appreciate that Departments are their clients and therefore they can be obstructive rather than helpful in achieving the Department’s aims;

(c) ISD protocols are too complicated, bureaucratic and time-consuming and conflicting advice is given, depending on which ISD officer is consulted;

(d) ISD do not respond positively to criticism and there is no-one for Departments to complain to if they are dissatisfied with ISD’s service;

(e) On receipt of a Service Request from a Department, ISD routinely appoints a consultant as the project manager at the Department’s expense, without prior consultation with the Department. Sometimes the project management costs exceed the cost of the actual package. Also policy changes are introduced which lead to additional charges to Departments without any prior consultation;

(f) ISD are averse to approving off-the-shelf packages, even tried and tested ones which are in common use by similar service providers in adjacent
jurisdictions. Where approval to off-the-shelf packages is given, ISD sometimes places restrictions which lead to protracted contract negotiations and can prevent access to the full range of functions;

(g) There can be significant delays between submission of the initial service request and completion of the project. Departments can advise ISD of the level of priority which they feel their own projects warrant, but Departments are not party to ISD’s decision-making process as to overall priorities and Departments are not given sufficient indication as to the likely completion date;

(h) ISD does not always recognise that Departments often have greater in-depth knowledge than ISD in selecting the appropriate package for specialised functions and time is wasted because ISD insist on further research being undertaken. ISD require evidence that Departments have searched the market and they prefer packages to be purchased which are capable of being used by other Departments, but there should be a limit as to how far the market needs to be tested as this process costs time and money;

(i) ISD sometimes suggest over-complicated and costly solutions to requests for a relatively simple function;

(j) ISD are reluctant to allow Departments to have separate servers, but there is no apparent logic as to which systems share the same server. This causes disruption to systems when maintenance or repairs are carried out on other systems which are on the same server. This has major implications when disruption is caused to systems where 24 hour access is essential.

(k) The system for the notification and repairing of faults is not efficient, and the procedure for maintaining 24 hour cover for essential services such as hospital patient records is inadequate.

(l) All IT hardware must be purchased through ISD at higher costs than can be obtained elsewhere. The PISAM catalogue is produced by ISD but doesn’t include everything that Departments may require. Some of the additional costs charged by ISD can be justified because the equipment comes with applications installed and they are ready to use, but ISD are not efficient at explaining these benefits to Departments.
13. This list does appear to be very critical, but it was only our initial observations and was obviously one-sided at that stage as there had been no input from ISD. However, the Sub-Committee felt that the concerns expressed did warrant a full investigation, which was then undertaken.

II. INVESTIGATION

Oral evidence

14. We took oral evidence as follows:

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<tr>
<th>Date</th>
<th>Name</th>
<th>Position</th>
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<tr>
<td>5 May 2011</td>
<td>Mr D Booth</td>
<td>Head of Management Information</td>
</tr>
<tr>
<td></td>
<td>Mrs B Scott</td>
<td>Noble's Hospital Manager</td>
</tr>
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<td></td>
<td></td>
<td><em>Department of Health</em></td>
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<tr>
<td></td>
<td>Mr S Roper</td>
<td>Information Systems Manager</td>
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<td></td>
<td></td>
<td><em>Department of Economic Development</em></td>
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<tr>
<td>12 May 2011</td>
<td>Miss J Kelly</td>
<td>Corporate Services Manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Department of Social Care</em></td>
</tr>
<tr>
<td>26 May 2011</td>
<td>Mr A Paterson</td>
<td>Director of Information Systems Division</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Department of Economic Development</em></td>
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<tr>
<td></td>
<td>Mrs S Brooks</td>
<td>Head of Services for Children</td>
</tr>
<tr>
<td></td>
<td>Mr G Kinrade</td>
<td>IT Adviser</td>
</tr>
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<td></td>
<td></td>
<td><em>Department of Education and Children</em></td>
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Transcripts of the evidence are set out in Appendix 1, together with supporting written information provided by Mr Paterson.

15. The decision to undertake an investigation was further justified when the Committee received an Internal Audit Report on the ICT Fund\(^9\) and a Report of the Value for Money Committee on ICT Consultancy\(^{10}\), as both of these Reports raised significant concerns.

Internal Audit Report on the ICT Fund

16. The Report on the ICT Fund dealt mainly with the procedure for the approval of expenditure from the ICT fund. The Report concluded that, although the purpose of the ICT Fund was adequately defined, it was

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\(^{10}\) VFM Report ICT Consultancy 2010/215 dated 1 March 2011. App 3
apparent that a significant proportion of ISD’s operational costs was being covered by funding allocated from the ICT Fund for approved ICT initiatives. Insufficient information was being provided by ISD to the Business Steering Group to enable it to make informed decisions as to the allocation of funding from the ICT Fund. Of particular concern was that applications for funding were being made late in the financial year after significant expenditure had already been incurred by ISD.

17. The Report concluded that, “Based on the evidence obtained, we have concluded that the design of the system of control is not sufficient to provide the organisation with an assurance in relation to the approval, monitoring and reporting on ICT initiatives and projects funded from the ICT Fund.” The Chief Secretary’s Office agreed with that conclusion and with the recommendations made by Internal Audit which were intended to improve the approval mechanism for the expenditure of the ICT Fund.

Value for Money Committee Report on ICT Consultancy

18. This Report dealt with the procedures and costs of out-sourcing by ISD and concluded that, “to fully maximise the value for money from the use of resources procured from consultants and to address some risk issues, a number of improvements are required.” The issues raised in the Report are covered more fully in paragraph 46 below.

19. The Chief Secretary’s Response to the Report included the following comment:

“There is clearly a difference in perception between ISD and the rest of Government about the use of Consultants – there would appear to be a defensiveness in the comments from the Director of ISD which, although natural, fails to address the fundamental problems highlighted in the report that, whilst almost everyone is happy to acknowledge that individual pieces of work have been done well, both by the consultants and ISD, there is a general feeling of unease that the projects have been controlled by ISD and the consultants, sometimes with significant cost to the business for consultancy time.”

Effectiveness of the ICT Policy

20. The Council of Ministers’ ICT Policy, issued in October 2007, states:

“Isle of Man Government is committed to the use of integrated ICT for competitive advantage. Accordingly, Government will maintain a central strategic ownership of
ICT technologies, process and data architectures, standards and governance, and ICT Production Services. This enables an over-arching perspective of ICT and its contribution to the effectiveness and productivity of Public Service, as well as driving a more efficient cost base for ICT in Government.

ICT will deliver for Government, working in close conjunction with key business areas where appropriate:

- A single, consistent, integrated way of doing business with Government – “OneMann”
- A set of common services to be used consistently throughout core business processes, such as Electronic Payment engine, Document and Records Management and retrieval, and key KYC information integrated with User Enrolment and Authentication
- A cross Government set of best practice processes (known as enterprise solutions) including Management & Financial Accounting (Microsoft Axapta), Customer Relationship Management (CRM), and Human Resources Management.
- “One stop shop” - a walk-in centre where a wide range of services across Government can be accessed either electronically or with assistance from trained staff.
- Assist in identifying opportunity for Shared Services where a sustainable business case can be developed.
- Identified benefits, as appropriate to the individual business case, monitored through a Benefits Realisation model.”

21. There seems to be general consensus that ISD have made a valuable contribution to the security systems for the Government IT network and achieved a much greater level of consistency across Government Departments, which has made inter-Departmental communication much more efficient. The Chief Secretary, in his response to the Value for Committee Report²⁰, stated that, “I would be the first to acknowledge that ISD has greatly enhanced the services provided across Government and that the ICT Policy provided a much needed level of governance which was necessary to bring together the Government infrastructure.”

22. However, the Chief Secretary went on to suggest, “that the current ICT policy and FD27 need to be reviewed by the Business Change Steering Group and that, if necessary, both the policy and FD27 are amended to reflect the current needs of the business.”
23. The Internal Audit Report on the ICT Fund raised concerns about whether the protocols for the expenditure of the ICT Fund were properly understood and applied. The Report found that, "The documentation clearly states that funding is not to be provided from the ICT Fund for ongoing operational costs and yet there is evidence to suggest that a significant proportion of operational costs have and are being covered by funding allocated from the ICT Fund for approved ICT initiatives."

24. The Report found that although Treasury had given initial approval to ongoing ICT initiatives, "the development of various department projects have been subsequently approved by ISD, working together with the relevant department, on the strength of the initial approval."

25. There were also concerns about the level of information contained in the submissions: "Previously reliance has been placed on ISD for the provision of all detailed information in respect of the ICT Fund. It appears that whilst the detailed information has been held by and is available from ISD, there have been difficulties with the communication of sufficient information to enable a meaningful overview to take place outside of ISD."

26. In his response to the VFM Report, the Chief Secretary said, "It is apparent that ISD do have systems in place to monitor and control project expenditure and to show allocations from the ICT fund. It is unfortunate that this information has not been disclosed voluntarily to either the Business Change Manager, the Service Transformation Group or the Business Change Steering Group. It is not a defence to say that it was not asked for."

27. The ICT Fund Report recommended that in future "authorisation for access to funds should be controlled through the gateway, ie the Business Change Manager." The Chief Secretary's Office agreed with the conclusions and recommendations in the Report, saying "The CSO is committed to making the allocation, expenditure and governance of the fund far more transparent than at present."

ISD's procedures in relation to IT projects

28. ISD's description of how Government requests for IT provision are dealt with is set out in Appendix 1. In brief, the procedure is as follows:

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11 See Abbreviations and Definitions of Technical Terms
12 Government IT Provision dated 10th August 2010
(a) The department's strategy is agreed.
(b) A Service Request is submitted to ISD.
(c) ISD carry out an initial analysis and produce a Service Request Response.
(d) ISD carry out a more detailed analysis and produce a Service Investigation Report.
(e) Alternatively, (c) and (d) can be combined into a Fast Track Report.
(f) The documents are reviewed and approved by the Project Review Board.

29. DoH subsequently commented on the ISD oral evidence, saying that they had never been advised that there was a fast-track procedure, even though they had enquired about such a facility on many occasions. On further investigation, they ascertained that it only applied to packaging off-the-shelf applications. It was only in June 2011 that they eventually got ISD approval to use the new ‘project lite’ document set.

30. When a project is to be progressed, ISD appoints a Project Manager (PM) at the relevant Department’s expense. Although some departments carry out this function in-house, the PM function is usually outsourced as ISD maintain that, “It is very difficult for this activity to be undertaken by someone outside of the department [ie ISD]. The Project Management services delivered by ISD ensure that the technical elements of the project are delivered to Government's quality standards and to offer support in controlling the budget and timescales for delivery.”

31. We have heard during the oral evidence that the Service Request forms can cause problems for Departments:

“Mr Booth: They are quite long-winded, in terms of having to complete them and submit them. Quite often, mistakes can be made on the forms - usually quite innocently, and then the forms are returned and have to be re-completed and then re-submitted.”

“Mr Kinrade: You can place in a request, it can then come back to you to be told that is not the right form of request, it should be this sort of request, and it should go over here. So you place it there and those things become frustrating but, really, those are communication issues and those are conversations we have with ISD quite

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13 ISD FAQs, IOM Government Website <www.gov.im/ded/isd/faqs>
14 Oral Evidence, 5 May 2011, Department of Health Q1. App 1
regularly to try and iron these out and clean that communication channel between ourselves and them."\(^{15}\)

32. However, we did hear evidence that ISD have taken some steps to assist Departments with understanding how best to complete the forms, as the Department of Social Care advised us that, "They have helped us to train our staff, so that we are able to complete some of the service request forms and the service investigation reports, which are quite complex and detailed."\(^{16}\)

33. The procedure as explained by ISD in paragraph 28 demonstrates that the relationship is that the department is the client and ISD is the service provider. In such relationships it would normally be expected that the client would give a clear indication of what it requires and the service provider would adhere to those requirements as far as possible. However, that has not always been the experience of departments, even where a department has undertaken a significant amount of research and can clearly demonstrate what service it wishes ISD to provide and why.

34. One example is the Department of Health’s plans to introduce an infection control system. Their research identified an off-the-shelf product which was already well-established in the UK and at that time the cost was about £16,000. Early on in the application process, the department was advised that they would not be able to host it on the hospital’s servers, which the department would have preferred, it being purely a hospital-based system which would not impact on any other Government Department or be appropriate for use by any other Department.

35. The application process started in June 2008, but did not go live until July 2010, and there were additional costs of about £18,000. One of the factors which can lead to delays is that the suppliers cannot deal directly with the Department, but have to go through ISD, as happened with this project. Mr Booth accepted that the delay was partly because of their request to host it at the hospital, "but, even so, that is an horrendous length of time to put any system in, and that is primarily down to the processes that we had to follow with ISD. It does not just affect us in the Hospital, it affects the suppliers as well. They have never come across having to deal with a company like ISD. They normally deal directly with the Trust in the UK and their IT department. ISD are in the middle of

\(^{15}\) Oral Evidence, 5 May 2011, Department of Education and Children Q185. App 1

\(^{16}\) Oral Evidence, 12 May 2011, Department of Social Care Q291. App 1
all this, so it is an extra layer that the supplier has got to deal with. This happens in every system now that we have to put in, and it just prolongs the whole process. ISD have got very stringent security models that the suppliers have to follow. It is absolutely right and proper that we have these security measures, but there comes a point when the security actually stops you doing your business. If nobody had access to anything, the system would be totally secure, but nobody would be able to do anything. So there has got to be a balance somewhere along the line."

36. Miss Kelly, Department of Social Care, said that “there have been some delays, yes, because of technical expertise not being available. I think that the issue that we would have is that ISD do not always communicate promptly the impact and reasons for delays. We do accept they have limited resources, though.”

37. We asked Mr Paterson for his response to claims that there were unacceptable delays in the completion of IT projects. He replied that: “I think ISD are risk averse because we have seen projects fail, because we have seen major projects fail in Government in the past. I think the Oracle roll-out never succeeded. I think things like the SIP - Strategic Information Programme - in DHSS failed. I think the procedures which are in place are good practice procedures. They are actually a light version of the PRINCE2 methodology. We do not follow the full PRINCE2 methodology because we believe that it is too bureaucratic. I believe those procedures are appropriate for the nature of complex business systems.”

Efficiency of ISD procedures and communication

38. We heard from Departments that communication with ISD was sometimes a problem and that the advice given was not consistent, depending on which ISD officer you spoke to. The Department of Health was asked: “are ISD’s internal communication procedures efficient; and is the advice you receive from ISD consistent?” and Mrs Scott replied, “No, the communication is hard to describe as to how it happens. You assume you have communicated with someone and it has been passed on, but it does not always appear to be the case. It is very confusing, as a user and as a customer, as to how they communicate and how the systems work.”

17 Oral Evidence, 5 May 2011, Department of Health Q28. App 1
18 Oral Evidence, 12 May 2011, Department of Social Care, Q313. App 1
19 See Abbreviations and Definitions, p.iii
20 Oral Evidence, 28 May 2011, Q401. App 1
21 Oral Evidence, 5 May 2011, Department of Health, Q88. App 1
The Department of Social Care was asked "To run your role, to do your job, how would you personally try to improve the relationship with ISD or their working practices?" and Miss Kelly responded, "I would like better communication. I would like some performance measurement from them to say how well they are doing for us and I would like some consistency. There is no performance data available to us on our systems or on the performance of ISD."  

Procedures for monitoring effectiveness and efficiency

We investigated what steps were taken to evaluate the effectiveness of ISD procedures. Mr Paterson was asked, "What action do you take to monitor the performance of your division?"

Mr Paterson: ... I think we have tried to address that in some of the conversations earlier about the formal measurements, about the procurement measurements, about the audit measurements, about the KPI\(^{23}\) measurements etc. and about programme launch with the divisions... Departments. Suitable effort goes into trying to make sure that we are continuing to be increasingly effective."  

Mr Paterson advised that the following criterion were used to monitor ISD's performance -

(a) Measuring performance again KPIs Accreditations to make sure ISD are following good practice

(b) Awards received – examples of two recent ones are for energy saving and thought leadership.

(c) Internal Audit Reports. Mr Paterson was of the opinion that "Those audits, I believe, stand up as adequate or substantial assurance. I do not think there is any negative audit out there."  

On the contrary, as detailed above, we have found various negative comments in the Internal Audit Reports concerning ISD, which can be summarised as follows.

(a) The Report of the ICT Fund concluded that the "system of control is not sufficient to provide the organisation with an assurance in relation to the..."
approval, monitoring and reporting on ICT initiatives and projects funded from the ICT Fund.”

(b) The Report on ICT Consultancy concluded that “to fully maximise the value for money from the use of the resources procured from consultants and to address some risk issues, a number of improvements are required.”

(c) The Report on the Bus Ticketing System concluded that “One of the major factors complicating, certainly the implementation of the system, was ISD’s insistence, based on JUPITER principles, that the preferred solution be networked rather than stand-alone... What is not clear is what the benefits, risks and costs were of requiring the selected systems to be changed from their normal operating mechanism, to fit with ISD’s strategy.”

ISD’s use of consultants and outsourcing

43. Mr Paterson has provided details of expenditure on 3rd party support, which for the year 2010/2011 was a total of £5,587,062. In producing this data, Mr Paterson pointed out that, “it is important to stress that a significant portion of the resources utilised here are what the UK National Audit Office call ‘staff substitution’ – in other words, recognising the finite headcount within ISD, then third party resources are utilised to meet variable business demand for systems development and support.” It was necessary to supplement ISD established staff because the COMIN headcount cap prevented the appointment of additional staff. The VFM Report confirmed that, “There is recognition by Treasury that ISD do not have the head-count to provide resources to departments for project management or database development and that, where necessary, such resources must be bought-in by ISD on behalf of departments.”

44. However, consideration should be given as to whether this form of staff substitution is the most cost-effective method of ensuring adequate service levels. In the current financial climate, Departments are being asked to reduce staffing levels where possible and this has led to inevitable redundancies. It may be possible for some Government employees to undertake training to enable them to transfer to ISD and thereby reduce the need for outsourcing. The VFM Report made the same point: “Better value for money might be better achieved though, by an increase in the headcount at ISD, either through recruitment or through a reassignment of suitably qualified and experienced department staff.”
45. It is also essential that the procedure for the appointment of outsourced staff ensures that costs are kept to a minimum. The VFM Report\textsuperscript{10} found that, "The current mechanism for procuring ICT consultants means that there is a potential lack of overall competition and therefore competitive pricing." The Report recognised that, "where consultants perform a role for too long, they may also lose their independence, accountability may be come blurred, and Government become overly dependent on them, failing to develop suitable qualified and experience staff." In addition, there is no incentive under the current appointment terms for outsourced staff to complete projects as soon as possible as they are paid at a daily rate. Also, Government had considerable reliance on two main contractors and would therefore be severely affected by the business failure of either of those companies.

46. Other areas of concern identified in the Report were:

(a) "The detailed requirements of the ICT Guidelines are not widely known to departmental staff involved in the delivery of ICT projects. In some cases it is apparent that this has led to the assumption that FD27 requires all project related work to be progressed and indeed projects to be effectively owned by ISD, when very clearly the responsibility for the delivery of the projects, and hence the use of the consultants, rests with the Department."

(b) "There is the potential that accountability for any failure to meet business requirements, failure to meet time-frames and for wasting available resources and providing poor value for money will be unclear."

(c) It is acknowledged that ISD have been filling a void and taking a very active, possibly too active, role in the overall management of projects, with departments in some cases being all too willing to pass as much responsibility over to ISD, and hence the consultants, for project delivery as they can."

47. The Chief Secretary's Response to the Report included the suggestions that the ICT Policy and FD27 should be reviewed by the Business Change Steering Group and, if necessary, amended.

**Financial Regulations and Separate Servers**

48. The relevant Financial Directives\textsuperscript{26} are:

(a) FD 8: Tenders

\textsuperscript{26} See Appendix 2
(b) FD 25: Selection and Management of External Consultants for Non Capital Schemes

(c) FD 27: Information Communications Technology (ICT) Governance.

49. A problem which was highlighted during the evidence was the interpretation of paragraph 8 of FD27 which states that: "Server based applications shall be required to reside within the Government Data Centres unless there are exceptional circumstances which are approved by Treasury".

50. Mr Booth, Department of Health, raised concerns over the application of this Directive in his oral evidence, as follows:

"Mr Butt: Why can't that happen? Why can't you have your own servers?

Mr Booth: As I mentioned before, we tried, when we first submitted our requests for the infection control and had it rejected by ISD. The reason ISD use on every occasion that we try this, they say it contravenes financial directive 27. Financial directive 27 is there for a very important reason and absolutely no problem with it as a principle, but one part of that directive stipulates that all applications should be housed in the data centre, the Government data centres, unless there are extenuating circumstances... exceptional circumstances.

Mr Butt: Do you know what those are?

Mr Booth: No, we have asked - we have said, we believe this is an exceptional circumstance and we are just told, no it is not. We say 'Why isn't it?' 'Well, it isn't, because it contravenes financial directive 27.' So we say that is not good enough, but that is all we get and the final parting shot usually is, 'Oh, so you are objecting to Comin policy, which then puts us... what do we do? So, I suppose the answer is that, yes, we are objecting because we do not believe it is right.'

Mr Butt: It is Comin policy to issue these directives and regulations.

Mr Booth: And ISD are the ones advising Comin that those are the directives that should be used, so it is a difficult situation, but that is what they hide behind whenever we try."

51. We also followed up this point with the Department of Education and Children, "Can I just raise a small program that Mrs Brooks knows about, the personal education plans for children who are looked after. I know ISD helped in the end to help make that happen, but that was a small simple program, Mrs Brooks,

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27 Oral Evidence, 5 May 2011, Department of Health. Q40. App 1
which I believe you have managed to bring in very quickly and cheaply. Could you just go through that very briefly?

Mrs Brooks: It was something I had seen while I was working at Ballakermeen and when I had been to a ‘Looked after children’ conference in London. We had had issues with trying to ensure that personal education plans were completed for children in care and we wanted to up the percentage of those who completed. I had seen this software, so Graham and I got the company to come over to do a demonstration for us. We then tried to work out how we could get that implemented – I think that was probably about the January, I am not sure, I cannot remember now. It was probably round about January or February 2009 and we had that implemented in September 2009. That was because it could go onto our own servers, I believe.”

52. We therefore put these points to Mr Paterson, asking “We have heard several times that Departments have had the desire to have their own server, or run their own server etc, and they are told financial regulation 27 says you cannot do it. It is very black and white on that.

Mr Paterson: FD27 says the standard is to do it within the data centre; there may be exceptions. There is no definition of those exceptions. We will discuss it, we will explore it and we will see what the issue is. But let’s again be very robust in this – and I am going to be robust in this: the reason that the data centre strategy is in place is for increased resilience, lower cost and the reflection, in part, that Departments did not refresh their technology on a timely basis. It is to put in management processes, escalation processes. It is to actually provide a high-value service.”

53. In response to a request from the Committee for more information following on from his oral evidence, Mr Paterson provided a written response in which he confirmed that the following areas had asked to have their own servers:

- IoM Post
- Ship Register
- FSC

28 Oral Evidence, 5 May 2011, Department of Education and Children. Q228. App 1
29 Oral Evidence, 26 May 2011, ISD, Q442. App 1
30 Letter from ISD dated 29 July 2011. App 4
54. He also said that, “Other areas that have traditionally been separate such as Education have quite willingly recognised the benefit of having a managed service provided for them and, after discussion, are in the midst of a programme bringing a range of DEC services into the Data Centres shared service.”

55. He pointed out that developing technologies mean that, “It is generally accepted that Public Sector ICT will move to a hybrid world (with both Private and Public Cloud capability). In a similar context, whereas ISD historically sought to ensure all IoM Government website requirements were delivered through the www.gov.im framework, ISD now acknowledges and supports exceptions being hosted externally – for instance websites which are primarily information only, e.g. www.crashtest.im (the “legal highs” information website).

56. In its response to Mr Paterson’s oral evidence regarding separate servers, the Department of Health said that “They won’t discuss it, they just refuse it with no explanation. We have always refreshed technology on a timely basis. ISD once again assume we don’t know what we are doing and compare us to other Departments who may not be as robust as we are. Mr Paterson has no intention of discussing or exploring the issues.”

57. In his letter to the Committee dated 29 July 2011, Mr Paterson advised that “Further discussion between ISD and the DH IT Project manager responsible for this request has now agreed a recommendation that the DH use dedicated (specifically to DH applications) virtual infrastructure in the Government dual data centres.

- Virtual infrastructure will be provided onto which the services currently hosted at Noble’s Hospital can be migrated.
- The DH will provide a TAG representative to compile and present all documentation.
- The one-time cost of the infrastructure, to be funded by DH, will be £42,500.
- DH will decide the order and speed at which its applications will be migrated.”

Prioritisation of Applications for IT packages

58. We examined the procedure for deciding which schemes should have priority. The Department of Health was asked, “ISD have all Government Departments to deal with, and obviously every Department has its own priorities. In terms of Health, where I know sometimes there is urgent stuff that needs to be
done, do you have any way of getting up the queue ahead of anybody else, or does anybody actually assist you in that?

Mrs Scott: No. We form part of the queue, and ‘everybody has priorities’, is what we are told. So we just have to wait in line.

Mr Butt: So if it was urgent, what would you do?

Mrs Scott: Wait, unfortunately, and try and –

Mr Booth: We would make a representation to ISD (Mrs Scott: Yes.) and explain our situation. There have been occasions, to be fair, in the past, where they I believe they probably have bumped us up the queue, but it does not always happen and, obviously, you cannot always say this is far more important than anybody else’s – even though we may believe it is, because we are providing healthcare. That is a difficult one. So, sometimes it would happen, to be fair, but certainly not always.

Mr Butt: Is there anybody in ISD you can speak to, to say, ‘Do you have, in effect, a batting order and where are we in the queue?’ Is there anybody you can liaise with to do that? Is anybody in ISD controlling that list, do you know?

Mr Booth: Our contact is the Chief Technical Officer and we have regular meetings with him, so that would be the time that we would raise our issues and explain our situation. As I say, sometimes something may be done about it and sometimes it would not. So it is difficult to know whether we are going to get that treatment or whether we are not.”

59. The Department of Economic Development was asked, “Do you find that you give any priority to get these systems in because of the economic situation or do you have to queue with everybody else?

Mr Roper: No. As far as I am aware, we queue exactly the same as everybody else, but it is a question of looking at it and seeing what the priorities are. Within that initial service request report, there is actually asked for a date or a deadline and that can sometimes be quite critical and crucial.

Mr Butt: Do you always get the deadlines met?

Mr Roper: No, I will be honest: it would be very rare that you get systems that do meet deadlines. We have had a couple and, certainly, the Work Permits phase 1 was one of the ones that we actually got in on time. But other ones: there are all sorts of reasons why systems always take a bit longer than initially anticipated.”

60. The Department of Education and Children was asked, “ISD service the whole of Government – every Department. If you have a project that needs, you

31 Oral Evidence, 5 May 2011, Department of Health, Q18. App 1
32 Oral Evidence, 5 May 2011, Department of Economic Development, Q101. App 1
think, to be dealt with fairly urgently and you are competing against Health and Treasury and other people, is there any method for you to move up the queue? How do you control that?

Mr Kinrade: I am not sure I can control it and if there is a method for prioritising that, I am unaware of it...

Mr Butt: If something was very urgent and needed to be done — say the safeguarding monitoring and you needed a new system for child protection now — how would you deal with that with ISD?

Mr Kinrade: I would raise the appropriate paperwork and raise at the steering board that this had become a critical issue and I required instant action on it. To be honest, I would anticipate that that would probably be heard and dealt with. I have never been in a position where I have been told, 'Yes, well, bad luck, you're number in the queue, out you go.' Where we have had issues that needed very rapid responses, I have received rapid response.\(^ {33} \)

61. The Department of Social Care was asked, "What input does your Department have into ISD's prioritisation of departmental applications?

Miss Kelly: In the DSC... the DHSS, I beg your pardon, we created a business change meeting with ISD, where all our service requests and other projects were prioritised. This continues in the DSC. We know that, in recent months, as the Service Transformation Group\(^ {34} \) now considers all funding requests across Government, we are not specifically involved in that group. So, yes, we do have an input into prioritisation.\(^ {35} \)

62. Mr Paterson said, "Part of the SRF form is to ask whether there is urgency in a particular requirement. Everybody thinks their individual requirement is absolutely critical... Therefore we try and capture, at the start, whether there is a legislative, statutory, what kind of business objective puts a priority onto it and we will try to respond to it. I did indicate earlier that we will seek to progress almost all projects in parallel... We do not put things onto a queue and say we will do it next year. We endeavour, because of the flexible demand-driven resource, to be able to cope with almost everything in parallel."

Transforming Government said 12-plus months ago that Transforming Government would become the vehicle for defining priorities, the VRO process etc."\(^ {36} \)

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\(^ {33} \) Oral Evidence, 5 May 2011, Department of Education and Children. Q222 & 225. . App 1

\(^ {34} \) See Abbreviations and Definitions, p.iii

\(^ {35} \) Oral Evidence, 12 May 2011, Department of Social Care. Q279. . App 1

\(^ {36} \) Oral Evidence, 26 May 2011, ISD. Q403

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63. The IOM Government website states that,

"The primary roles of the Business Change Steering Group are:

• To ensure customer-orientated delivery of public services, improving e-access to Government and delivering real benefits in effectiveness and efficiency whilst having regard to the cost to the community.
• To establish a communication programme aimed at raising awareness of potential outcomes from joined up services utilising ICT.
• To set objectives and annually measure progress against external benchmarks.
• The prioritisation, authorisation and monitoring of projects.

To ensure the delivery of:

• A single, consistent integrated way of doing business with Government – 'One Mann'.
• A set of common services across Government set of best practice processes.
• 'One stop shop' a walk-in centre where a wide range of services across Government can be accessed either electronically or with assistance from trained staff.
• Shared Services."

Procedure for the selection of the most appropriate software package

64. We investigated the procedure for the evaluation procedure in respect of stand-alone packages. Mr Roper was asked. “Would you say there is the potential of savings if you actually were to look at off-the-shelf products, rather than the bespoke that you are looking at?

Mr Roper: That would have to be investigated. You could probably pick up an off-the-shelf package for cheaper than the bespoke one, but you have then got to look, is it going to work with the rest of the Government system? Is it going to be able to interact? These days we try and share as much data as we can with other Departments, so you have to make sure that what you get is fully interactive through the Government system. Also, if you get an off-the-shelf package, who is going to support it?”

65. On the FAQ Section of the ISD website, question 7 is:

"Why can't we just select the product we think meets our business needs without ISD interfering?"

The answer is given as follows:

37 Oral Evidence, 4 May 2011, Department of Economic Development, Q142
"ISD has responsibility for ensuring that Government, as a whole, has the most effective and cost efficient IT Systems possible. When ISD is presented with a business need it considers:

- What is the best technology to meet this need now?
- Is there anything within the existing technical framework which can meet this need (as this is the fastest and most cost efficient manner to provide a solution)?
- Is this part of a wider Government requirement that we could solve with one product (to reduce the cost to Government)?
- What solution will work best with the other systems being used by the Department?
- What future requirements may the Department have and what solution will meet these?

These questions are considered openly and in partnership with the business users, ISD has a role to play and uses its experience to help guide the process."³⁸

Procedure for dealing with requests for relatively minor or standard packages

66. We examined whether ISD procedures were flexible enough to allow for a different approach for relatively minor schemes. We asked the Department of Social Care, “If you have a simple request, is it dealt with speedily?

MISS KELLY: I thought that was an interesting question, because I think that depends on what that simple request is. Something that we think is very straightforward - for example, the hand recognition tablet, that we thought was very straightforward - may take quite some time, because it has to be packaged. It has to be packaged and go through all the systems and processes that they have within ISD and we do not know if that is due to technical reasons, that we had not appreciated, or a shortage of resources. We do not know, but it is up to us to chase ISD. What would be very helpful, if, when you did, they came back to you with regular reports of where they are up to and, if there is a delay, why there is a delay and how long that delay will be.”³⁹

67. The Department of Health said that, “The process to enable the other Departments, plus ourselves, to get those systems into the data centres is the same, whether it is a small, simple system, or whether it is a large multipurpose system, which costs millions, the same process has to be followed. One of the things we have

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³⁸ Isle of Man Government Website, Department of Economic Development, ISD FAQs
³⁹ Oral Evidence, 12 May 2011, Department of Social Care, Q316. App 1
been asking for is a cut-down, simpler version to enable us to get the systems in quicker without having to go through all the hoops that ISD are placing there.

**The Chairman:** What is the response to those requests?

**Mr Booth:** No. The answer has been no. They want the same system, because it is easier for them to manage." 40

68. Mr Paterson was therefore asked, “Do you have different procedures for simple, off-the-shelf products, as compared with complex bespoke systems?

**Mr Paterson:** That is where we have a fast-track process. We seek to use the fast-track process to move those off-the-shelf – and by that, I would traditionally mean something which can be installed as a PC piece of software. However, what I would again repeat; there is a process called packaging. That process called packaging means we do not install it directly on the local PC, it means we package it, so it can be provided to any PC.” 41

**Value for Money**

69. We investigated what measures have been put in place by ISD to ensure Value for Money. The Department of Social Care was asked “Do you think you get value for money?

**Miss Kelly:** Absolutely not. I do not think we get value for money, I really don’t. I think that there has been, over the last ten years, some increases in charging to Departments for PCs and consultancy. I have no real understanding of where the figures come from. There is no real involvement of Departments in making those decisions, they seem to just be ‘done’ to us. I know that they are really busy and I know there is probably a lack of resources in ISD, but then there is a lack of resources through all Departments.” 42

70. Mr Paterson was asked “How does ISD ensure value-for-money, both for the division itself and the changes in the Departments?

**Mr Paterson:** Let us talk about it in the sense of pound signs, and you will see, from the evidence in here, pound sign reductions of substance in the cost of the telecommunications network over the past 10 to 12 years; pound sign reduction of substance in the cost of provision of a standard PC, a standard laptop, etc – we can talk about the pricing of laptops, if you wish; pound sign reduction in the cost of support for the enterprise licensing that we have across the Microsoft estate; pound sign reduction of substance in the cost of data centre provision. All these things are

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40 Oral Evidence, 5 May 2011, Department of Health, Q72. App 1
41 Oral Evidence, 26 May 2011, ISD. Q410. App 1
42 Oral Evidence, 12 May 2011 Department of Social Care. Q362. App 1
critically important. Our budget has fallen. Over the last five years, our budget has fallen, of the order of, I think, 4.5%, something like that, compared with where it was – whereas Government’s budget has fallen by about 1% in that timescale. So I think we are continuing to be more effective, more efficient, in the pound sign contribution...I think, finally, procurement. We go out there and re-tender, on an appropriate basis, to make sure that we are getting best value for money. We are audited to make sure we are getting value for money. The Value For Money Committee audited our PC, laptop, printer procurement etc, and confirmed, I think, that we were getting appropriate value for money.”

Hardware purchasing is covered in more detail in the section below commencing at paragraph 87.

**Heat Call System**

71. We investigated what evaluation and monitoring is undertaken as to the effectiveness of the responses on the heat call system.

The Department of Education and Children said, “I just have a belief in what a helpdesk should be. You should be able to e-mail the helpdesk. It should e-mail you back and say, ‘Thanks – Here is your ticket number and here is a note of your problem,’ and then every single person who makes any comment against the job that you have raised, you should be able to see all of that comment down, and every time it is updated you should get an e-mail to say Fred Bloggs, the technician, has said he has looked at it and he has got a problem with this and it is going to be two days before it is fixed. You know then, and that is about empowering people. So I find Heat quite a cumbersome system, personally, to deal with in comparison to what we do now.... There are times when we feel we do not know what is going on with a particular call that is in. The schools would say, ‘We don’t know what is happening. We raised a heat call and we don’t know where it is, who’s got it or where it is up to.’ But that is just communication. That is an easily fixed thing, but would make a big difference, I think, if it was fixed.”

72. Mr Paterson, responded that, “Prior evidence suggested that users were unable to access and monitor progress of heat calls. The reality is that the following areas have the ability to use Heat Self Service to raise new calls, update existing calls and review calls. They can only see their own area’s calls.

Dol, Registries (General and Land), Primary Care, Education, Water Authority, DED.”

43 Oral Evidence, 26 May 2011, ISD. Q387. App 1
44 Oral Evidence, 5 May 2011, Department of Education and Children. Q260. App 1
Subsequent enquiries were made by the Committee and the Department of Education and Children confirmed that they do have access to the Heat Self Service and have used it to track heat calls. However, they do have reservations about the limitations of its functionality. The Department of Health confirmed that they have access to the Heat ATG (Auto Ticket Generator) system which they can use to raise and update calls. However, they are unable to review calls on this system. They do not have access to the Heat Self Service system, even though enquiries have been made on a number of occasions about gaining full access; it may be that differences in the operating systems between Noble’s Hospital and ISD would prevent access to this system.

Applications which share the same server and disruptions to service

The Department of Health expressed concerns about interruptions to their Medway system which arise when maintenance is carried out on other systems which share the same server. The Medway system is the patient administration system and access to it is essential 24 hours a day. Mr Booth said, “I just find it incredible that they are putting the biggest hospital system on the same server as the Government-wide finance system - it doesn’t make sense to me. If that system is taken down, then the Medway patient administration system is also affected.”

The Department of Social Care said, “I think what may be sensible is that the systems that are 24/7 are put together, rather than with some of the other systems. Maybe if they compartmentalise the systems, it would be better. For instance, there is the finance system, Axapta: does that really need to be…? That is only a business hours system, where our systems are not. Maybe they should have a look at what applications are on what servers. I am not sure if they have done that.”

We asked those Departments for details as to how often there were disruptions to their systems. The Department of Social Care responded that “In the last year I would say it has gone down over five times at the weekends and a couple of those, at least three occasions, we did not know that it was going to be… it went down for essential maintenance and we did not know about that until it happened.” The Department of Health said, “There was one in January, and

45 Oral Evidence, 5 May 2011, Department of Health. Q36. App 1
46 Oral Evidence, 12 May 2011, Department of Social Care. Q336. App 1
47 Oral Evidence, 12 May 2011, Department of Social Care. Q333. App 1
there have been a few others, but I do not know the exact number and, to be fair, I suppose it does not happen that often. When it does happen, it is usually out of the main bulk hours, but because we are a 24-hour operation, it is always going to affect us, no matter when it happens.“

77. We put these concerns to Mr Paterson, asking “Is it correct that Axapta is on the same server as Medway? Is that correct?

Mr Paterson: Physically, the hardware for common service level systems is common hardware. Yes, they co-host. Does that cause a problem? It has caused a problem, not a great problem, but it has caused a problem. We are evolving, we moved to virtualisation.”

78. He further stated in his written evidence that, “A criticism in prior evidence was in relation to co-hosting of critical applications, such as Medway and Axapta. As a principle, ISD allocated resources on the principle of services requiring the same service level share hardware resources, thus reducing costs and management overheads. ISD acknowledge the concerns, although believing that the incidence of service loss of system A because of failure of system B has been minimal in terms of total availability. However, the introduction of Virtualisation now that it is a mature technology has reduced the risk to a point where the business should not be concerned. A further criticism is made of planned but un-notified downtime affecting business critical systems. ISD strongly dispute that – considerable effort has been made into notifying CLOs around two weeks in advance of planned downtime, and giving them the opportunity to ask for deferral…”

Current arrangements for 24 hour cover for essential services

79. We enquired as to the arrangements for reporting service failures out-of-hours and obtaining assistance to rectify the problem. The Department of Health advised that the core hours were 9 to 5 Monday to Friday and that the response outside of those hours was “variable”. The procedure was to call Peter Clarke who had undertaken to always have his phone switched on and would provide someone to provide the necessary maintenance, but Mr Booth thought that this procedure was “a bit hit and miss.”

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48 Oral Evidence, 5 May 2011, Department of Health. Q43. App 1
49 Oral Evidence, 26 May 2011, ISD. Q443. App 1
50 Written Submission from Information Systems Division dated 25 May 2011, p11. App 4
51 Oral Evidence, 5 May 2011, Department of Health. Q59-65. App 1
The Department of Social Care concurred, saying, "We will say that there are no effective out-of-hours arrangements at all, because ISD operate a 9–5 Monday to Friday service. The only arrangement that we have is that we have been told, out of hours, to contact the ISD’s chief technology officer, who works on best endeavours to prepare or fix whatever the problem."\textsuperscript{52}

We therefore asked Mr Paterson for his response and he said, "I get slightly angry at that feedback, because it is a best-endeavours feedback we provide on an uncontracted basis, because we do not have the resources and we are not being given budget by the Department to say they want that 24/7, so we provide best endeavours. Peter is not the critical point of failure, because other phone numbers are available. My phone number is on every single e-mail that I send out. If people want to, they can phone me at any time. Peter has other people available under him. There are security people available etc. The fact that Peter chooses to give his phone number, as did Julie Brew, on a best-endeavours basis, is because we are trying to be helpful. If you want me to stop being helpful when there is no budget, then we will do that, but actually we are trying to be helpful".\textsuperscript{53}

He further stated in his written evidence that, "The most critical element of application support is provided by the relevant software supplier and any support arrangement has to be transparent to that requested from ISD, with clear process and procedures deployed and managed. That is, if an application requires 24x365 support then the contract has to be extended to the supplier and the costs met by the Department."\textsuperscript{54}

**Maintenance/repairs by Departmental staff and/or software providers**

We examined what ISD procedures were in allowing access to software suppliers for ongoing maintenance. Mr Booth was asked about the Medway system at the hospital and whether the supplier had direct access to the system. Mr Booth said:

"it would be ISD that would have to provide that facility. Again, that is an extra layer in the mix, because we need to be aware, because we need to know that the system is down and there may be some testing that needs to be done, before it goes back to being live. If we had a direct link to the supplier for all our systems, we

\textsuperscript{52}Oral Evidence, 12 May 2011, Department of Social Care. Q329. App 1
\textsuperscript{53}Oral Evidence, 26 May 2011, ISD, Q428. App 1
\textsuperscript{54}Written Submission from Information Systems Division dated 25 May 2011, p9. App 4
would not need ISD; but because ISD are in the mix, they are another element that has got to be available and they are not always available.

Q69. Mr Butt: So, if Medway goes down, the supplier of Medway could not come in and go through ISD and repair the fault remotely? Do they allow people to do remote?

Mr Booth: They do, but they have to go through ISD to do it. So ISD have to be there.”

Mr Paterson was asked whether ISD allowed suppliers direct access to systems for repair and maintenance and he replied: Yes. Yes, we do – by a process.

Q423. Mr Butt: Or why do you put hurdles in the way to make that more difficult?

Mr Paterson: ... we put hurdles in the way, to protect personal data. We have seen, in the past, Departments who would casually download a CD of live data and send it across to a supplier in the UK etc, and there is all sorts of risks associated with that. So what we do is put in fair and appropriate... and, again, I will come back to our international accreditation on information security – but, like we say, we will provide three different categories of access: either access which requires ISD to enable it at the time; or access which requires the Department, the user Department, to enable it at the time; or, in some cases, where it is clear that the individuals at the far end are identified, are security cleared etc, that we may give uncontrolled or unmanaged read only access to that software supplier.”

Mr Paterson’s written submission states that, “In terms of remote access for software suppliers, a strict process is applied which allows Departments to request access on behalf of the suppliers. This process is subject, as appropriate, to external audit by NHS UK, Police, PCI-DSS and meets the controls expected in ISD’s ISO27001 accreditation. The process involves checks to the highest level (SD) possible for civilians. This checking process, carried out by IoM Police, is in addition to any contractual due diligence carried out by the project teams, Internal Audit, Treasury and Central Procurement.”

55 An example of this was in August 2011, when Praxis Care informed the Department of Social Care that one of its staff was unable to find a memory stick used to transfer information from one computer to another. The information included personal data relating to some individual service users as well as some staff from both Praxis Care and the Department.

56 Oral Evidence, 26 May 2011, ISD, Q423. App 1

57 See Abbreviations and Definitions, p.iii

58 Written Submission from Information Systems Division dated 25 May 2011, p38. App 1
Security of IT Systems

86. We asked ISD what safeguards are in place for the protection of the Government IT system. Their written submission states that:

"To provide the level of security required by the multi faceted Connect Mann network, ISD use an industry best practice layered protection mode. To ensure the ongoing integrity of the deployed infrastructure ISD engage CESG (Communications-Electronics Security Group) approved external resources to assess and report any vulnerabilities and weaknesses that may be evident.

A full penetration test is carried out on all public facing nodes on the Connect Mann network twice yearly, these are scheduled randomly by ISD senior management, the dates of which are not disclosed to the team who manage the security infrastructure. As well as testing the infrastructure it provides essential opportunity for the team to test and develop the procedures put in place to deal with attempts to compromise the layered security infrastructure.

A fully automated scan to ensure PCI-DSS (Payment Card Industry Data Security Standard) compliance runs quarterly on the Isle of Man Government website and results are delivered to ISD senior management.

Our perimeter security layers are proactively monitored 24 x 365 by an approved provider of managed security services who notify ISD if any unexpected or suspicious traffic is detected." 59

Purchase of Hardware

87. We investigated ISD’s policy on the purchase of hardware. The ISD website states that "ISD continually monitor the cost of standard items of IT equipment (PCs, laptops, printers) against market pricing and UK Buying Solutions pricing. When comparing the cost of individual items it is important to compare like for like, otherwise differences will be found. When ISD provide costs for equipment this usual consists of the purchase cost, but also the initial setup, connecting it to the network and the installation of whatever software is required, this can range from one application to many. In some cases the cost will also include working with departments to identify the requirements." 60

88. The Department of Education and Children was asked, "When you look at the catalogue and you see the prices in the catalogue, would you say it is a competitive price or slightly weighted?"

59 Written Submission from Information Systems Division dated 25 May 2011, p38. App 1
60 Government Website. Information Systems Division FAQs, Q8
Mr Kinrade: I think there is no simple answer to any of these things. When you look at the price of a PC in a catalogue, I am quite sure some of our schools would say, 'I can buy it cheaper from Misco or whatever.' Well, yes, you can but you will not get the five-year swap out with it. You won't get the call out through 'Heat'. Also, the prices in the catalogue invariably include unboxing, tagging, testing, installation of software, installation of system. So, again, you are back to comparing apples and pears. You have to look at those prices and look at exactly what that price is including and then I think it is for an establishment to decide, 'Do I buy the equipment ready to plug in and go – and I have paid more for that – or do I buy it cheap and then employ somebody to do that work for me?'

89. In his written submission, Mr Paterson stated that, "PC prices are regularly checked against alternative delivery channels to ensure IoMG is getting fair value."  

90. The Value for Money Committee Report for the period 1 January 2009 to 31 March 2010 reported that they had appointed a specialist consultant (Socitm Consulting) to "undertake a high level review of Government's IT spending and to provide an opinion on whether the operations, in the experience of the consultant and by reference to other bodies, indicate value for money.". In relation to the purchase of hardware, the consultant concluded that the PISAM contract did provide value for money, but that there was significant reliance on a sole contractor.

91. That issue was addressed in the PISAM tender exercise undertaken in May 2010. With respect to the purchase of peripheral devices (printers, copiers, fax machines etc) the consultant concluded that "The controls in place should provide best value, however given the current volume of ICT Peripherals arrangements could not be concluded as best value." Of particular concern was that "the user-to-printer ratio was significantly lower than the Hewlett Packard standard ratio of 10 to 1". The Report noted that action was planned to address these concerns.

The PISAM Catalogue

92. We examined how decisions are taken as to what should be included in the PISAM catalogue and the procedure for dealing with requests from Departments for equipment which is not included in the catalogue.

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61 Oral Evidence, 5 May 2011, Department of Education and Children. Q220. App 1
62 Written Submission from Information Systems Division dated 25 May 2011, p19. App 4
Mr Roper was asked “what observations do you have to make about that catalogue and the comprehensive nature of it or otherwise?

Mr Roper: The pricing catalogue, the one you are referring to, to me, covers all the basic necessities that you need for straightforward sitting at the desk and working. Yes, when you come to look at some of the specialised things, then you have to approach ISD, as we did with the work permit system. The particular scanners that were available would not work in the way we wanted them to work, so we went to ISD and they went out to their suppliers and they came back and found us another one that does work in the way we wanted it to work and we were able to purchase them.

The Chairman: We hear, anecdotally, the purchase price in the catalogue can be significantly in excess of what you could buy it from other sources. Is that a fair or unfair comment?

Mr Roper: Yes, that might be true, but what you have to take into account, though, is what you are getting in the background, in terms of the maintenance and backup and everything else that you get. Yes, we can go along to a smaller computer centre and buy a computer, but will it actually work in the same way, will it do what people need and will it interact with the rest of the Government system?

Mr Kinrade said, “I think we have some issues, for example, over the catalogue and the equipment in the catalogue and its suitability for use in schools, would be an example – so FD27 would say we should be looking at the catalogue and purchasing from there. Some of that equipment is not as we want it to be, but if I have that conversation within this instance, I have had that conversation in ISD... that is fine, tell us what you want, then, and we will put it on the catalogue! I have never come across the sort of, you will do it this way or you walk. What they say is, ‘Okay, if that way does not fit, tell us how that way does fit and then we can, maybe, tailor that’, so it is back to, as I say, communication.”

Mr Paterson was asked, “If we can move on to question 10, how do you decide what is included in the catalogue and what is the procedure if a Department is of the view that a product that is not included in the catalogue would be more appropriate for their needs?

Mr Paterson: The catalogue has been slightly confused over the last two or three years, and I say that in the context that the prime element of the catalogue has been about the desktop equipment. It has been about the PC, the laptop, it has been about the network equipment, etc. It has got confused because things like cameras crept into it and the odd bits and pieces like that, and we did not do procurement of those. They were just here as a supply route for it.
But let’s put it into context. PCs — I think we have five or six PCs in the catalogue, typically; laptops, same sort of number, typically — those are the devices which we can get best price on. Those are devices which represent the range of needs from a laptop from somebody who uses it primarily in the office, takes it home occasionally, might go to the UK once or twice a year and uses a laptop for that, to somebody like a social services worker, who is going to use a heavy-duty laptop and require that heavy-duty laptop. So we have a number of devices, down to the off-net device, down to the mini-net loop device. Today we are looking at things like tablets, because we believe tablets are going to be an important piece of the mobile working environment.

Those devices are put into the catalogue, following a procurement process. They are priced following a procurement process. They are priced on an ongoing comparison against alternatives. We can demonstrate that the year-on-year prices come down. I think that is how we establish the catalogue. If somebody comes along and says, ‘We want something else’, then we will have a discussion as to whether it could be met from something in the catalogue or whether it is totally out of kilter, in which case we will look at it and work with them, to evaluate a suggestion or to look for…”

Costs to Departments in respect of packaging

96. In his written submission to the Committee, Mr Paterson said that the current cost to Departments for a PC is £407.53 and a laptop is £530.09. Both of these include an installation cost of £99.87. In addition, the MAGIC recharge was introduced between 1999 to 2001 which was “to cover the cost of the provision of firewall software, e-mail packages and communications charges and would facilitate the provision of services to the pc including:

- Unlimited access to the Internet
- E-mail, fax and voice mail
- Calendar and diary facilities
- Provision of a WEB browser
- Operation in a secure environment
- Automatic virus checking, content control and encryption
- External access to Government information from laptops.”

The charge to Departments was set at £124 per user per annum in 2000 and remains unchanged. In 2000 the number of users was about 2,000 and this has increased to a current figure of about 6,000.

63 Oral Evidence 26 May 2011, ISD. Q468. App 1
64 Written Submission from Information Systems Division dated 25 May 2011, p20-21. App 4
Complaints procedure

97. We enquired what the procedure was for Department to try to resolve complaints which they had about ISD’s service. The Department of Health was asked, “is there a complaints procedure, if your Department is not satisfied with ISD’s service?

Mrs Scott: Not that I am aware of.

Mr Booth: Not an official complaints department. We have now got an excellent business relationship manager, Elaine Litherland, who has been really good and very supportive and we have started to feed complaints through her. It remains to be seen, what becomes of those complaints, but there is, whilst I do not know how official that is, but it is a way of getting a complaint through.” 65

98. The Department of Economic Development was asked whether there was “any formal system for lodging complaints, comments or compliments with ISD?

Mr Roper: There is, either through our regular meetings, or we can make a complaint to the appropriate manager.” 66

99. The Department of Social Care was asked, “If you have had any problems with ISD, and you make a complaint about slowness or cost or whatever, how are those complaints dealt with, when you approach them?

Miss Kelly: All our complaints would go through our business relationship manager and before we had the business relationship manager - which we have only had since we are in the DSC - we would have gone through to Peter Clarke, generally. They will come and talk to us about our complaints. I think it depends on who you speak to in ISD, and what day you speak to them.

Mr Butt: So it is not consistent?

Miss Kelly: There is no consistency. 67

100. ISD was asked about situations when Departments “have got a complaint about the service they have had and they want things to be changed or moved on, how do they do that?

Mr Paterson: I believe they should do it through their programme boards. They should do it through their senior officers or through their CLOs or IT managers being part of that. I believe that we have, generally, resources around in the Departments, who have an IT responsibility. We have seen irresponsible officers.

Mr Butt: The question was, how do you then deal with that complaint? Say it becomes even a formal complaint. What is your process?

Mr Paterson: The process is to review it and decide whether there is fact behind it and what we need to learn from.  

III. CONCLUSIONS

General remarks

101. It is obviously totally unrealistic to expect all procedures throughout Government to be perfect. All Government Departments should be regularly reviewing their procedures, particularly where complaints about their service have been received, to ensure that the services provided are as efficient as possible and we believe that, in general, that does happen in most Government Departments.

102. However, in all of the oral and written evidence received from ISD by the committee and in all their responses to the various criticisms in the Internal Audit Reports we have examined, there is a marked lack of any recognition that their service may not have been totally satisfactory. The practice of answering all criticisms with robust self-defence and placing the blame for any unsatisfactory communication squarely onto other Departments may well be preventing ISD from recognising any essential need to modify their procedures. We find this complacent attitude rather worrying, as it is not likely to result in any significant progress.

103. Business change can be enabled by IT solutions but in all cases achieving the business change and realising the benefits should be the primary objective.

Project Management

104. From the evidence we have studied, it appears that the majority of the project managers are provided by ISD, currently using Intelligence staff, and those costs are billed to the Department. This affects the control of the project as the project managers are effectively working for ISD rather than for the Department. It is not compulsory for ISD to appoint project managers and some Departments do have in-house staff who can undertake this role; also ISD have given some assistance to Departments in training staff to take on

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68 Oral Evidence 26 May 2011, ISD Q481. App 1
this responsibility. However, Departments frequently do not have the expertise and/or the capacity to take on this role.

105. Outsourcing this function can be very expensive, particularly for complex and lengthy projects. In addition, it is unrealistic to expect that one private company can supply the necessary level of expertise across the whole range of very varied Government IT projects.

106. Concern has been expressed by Departments as to whether the costs incurred in the management of their projects represent reasonable value for money. In many cases, the project management costs for projects can be as much as 40% of the project, which appears to be disproportionately high when compared informally to similar functions carried out in other organisations. It is also the case that many Departments feel they have no alternative but to use an ISD supplied project manager when in reality there are other options.

107. We believe it is essential that Departments should be in control of their own projects and should therefore choose who to appoint to manage their projects and have more control of the costs. This could be done in a variety of ways:

- Using in-house staff.
- Not limiting the choice of private companies or individuals who can be appointed.
- Setting up a central pool of appropriately trained Government employees who can provide this service to any Department.

108. Consideration of the last option is particularly appropriate at present when redeployment of staff throughout Government is being encouraged.

109. The IOMG network is a well-controlled and managed environment and the technical specification for adding systems to it is well understood by ISD, but it is not clear to Departmental staff. This information should be documented and business change managers should attend training courses run by ISD to enable them to learn about this. Access to regularly updated technical documentation should also be given.

110. For projects with an IT component, ISD will then supply a resource to provide additional technical advice and support.
111. Recommendation 1

(a) Business change managers should be selected by, and work for, the department sponsoring the business change, which may incorporate an IT solution. The department will select a Project Manager from:

- within their department, or
- a central pool of civil service change managers working within the business change team, or
- an external company, either for specific technical expertise or because no internal candidate is available who has appropriate experience for the role.

(b) After quotations for project management costs have been obtained in advance, any projected significant changes to the original quotation should be formally approved.

(c) A benchmarking exercise should be undertaken to identify a generally appropriate level of project management costs when considered as a percentage of the total costs.

(d) An ISD Officer, with appropriate technical knowledge, should be assigned to provide advice and support during each service investigation. This resource is first required during the service investigation stage but also to work on the project to assist in designing and implementing the solution.

ISD Outsourcing

112. The VFM Report raised concerns on the reliance of ISD on external companies. ISD maintain that is unavoidable because of the restriction on the headcount of the section.

113. Some of the recommendations in this Report should reduce the need for outsourcing, but we recognise that it will not totally eliminate it. However, we believe that the costs can be reduced.

114. The VFM Report suggested that, as the bulk of the work is currently shared between two providers, it may be possible to develop competition by allowing some of the smaller suppliers onto the delivery framework. This could be achieved if Recommendation 1 above is approved, whereby Departments can choose their own project manager from the private sector, if no internal provision is available.
115. The figures supplied by ISD indicate that the daily rates paid are what would normally be expected for short fixed-term contracts. If it is known that a company's services will be required for a longer period, it should be possible to negotiate a lower daily rate.

116. ISD currently have a 60 day 'break point' in their framework agreements which means that a lower rate is available once a 60 day threshold is reached on a contract. In reality, this point is not reached because it appears the contract does not recognise total aggregate levels of contractor use.

117. Recommendation 2

(a) ISD must consider ways of reducing its reliance on outsourcing, and

(b) ISD must negotiate with suppliers to obtain cheaper daily rates for long term contracts.

Selection of IT solutions

118. Currently all service requests are sent to the Transforming Government Programme office for initial review and any with an IT element are passed immediately to ISD. In some cases it is possible to identify immediately that an IT solution is required but best practice would be to establish this following the requirements gathering process.

119. Both Transforming Government and ISD maintain similar but separate project management process methodologies. There is no obvious benefit to maintaining two frameworks which are so similar. Often companies do have two change management frameworks in place but one is usually a 'light' version aimed at reducing the project overheads when the risks are smaller.

120. We have seen from the evidence that one of the major factors in deciding which software to choose to meet business requirements is whether it could be networked and used across Government. This is an important consideration, but it is not appropriate in all cases, particularly when the Departmental requirement is for a specialised function. We have seen instances when time delays and additional costs have been incurred in trying to network inappropriate systems.

121. For example, with the first the bus ticketing project, the main issue appears to have been that ISD insisted on a system which could be networked. The product which had been chosen was not one designed to work on a
network. We explored how this could have happened and identified that in ISD project procedures the initial technical design stage appears to be done only after the system had been selected. In this case if the technical design had been considered earlier, it may have been possible to choose a system already designed to run on a network, if this was in fact identified as an essential requirement.

122. We believe that regular dialogue between business change staff across all Departments is needed to ensure that systems are chosen, wherever possible, which could be useful to other Departments. However, the procedures must be flexible enough to ensure that it can be recognised at an early stage where a Departmental project is so specialised that the required software is not going to be appropriate for sharing, so that time and money is not wasted trying to find a solution which could be networked.

123. An IOMG systems map should be drawn up to include systems in use, their purpose and age. Possible sharing opportunities could be identified and the map consulted when new business change requests are received. Systems which are not to be shared could then be managed in such a way as to minimise the total cost of ownership.

124. **Recommendation 3**

(a) Each Isle of Man Government department should have a Programme Manager responsible for overseeing all projects and meeting regularly with other Programme Managers and a representative of the Transforming Government Team. This group, the Business Change Management group, will consult the IOMG systems map, will share information on work planned and in progress, review new change requests (service requests) and discuss the opportunities for collaboration.

(b) There should be one standard business change methodology managed centrally by the business change management group which will call for input from an IT specialist when required. A second business change methodology should be developed for use in lower risk projects.

(c) Business change should be managed centrally with information and documentation stored centrally and shared among business change personnel so that best practice can be highlighted and examples of previous similar work can be used to reduce the 'reinventing the wheel' scenarios.
125. In Isle of Man Government there is no apparent distinction between the business analyst and project manager roles. It is sometimes the case that individuals may have the skill to do both roles, especially on smaller projects, but the roles are different. Business analysts are skilled at documenting existing process information, no matter what the business area, and then at eliciting requirements from front line staff. This area was noted as a weakness in the bus ticketing project. Project managers are there to drive the work required to successfully implement the change.

126. Business analysts cost around the same as a project manager but can ensure that the correct solution is identified more quickly. If individuals who have both skill sets are required the anticipated cost would be around 50% more.

127. **Recommendation 4**

*The business change management team should include staff with business analysis skills.*

**System Maintenance**

128. There are issues with helpdesk call resolution, especially with access to information on the progress of the call and with calls being passed around a number of staff before being resolved.

129. Not all departments have access to the log system, and we have found that Departments only had partial access or they had not been made aware that they had access.

130. **Recommendation 5**

*The efficiency of the helpdesk system should be improved by -*

(a) training Departmental CLOs (computer liaison officers) to deal with relatively minor problems, thereby removing the need for a helpdesk call;

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69 Based on an average of the figures from 4 salary comparison sites.

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<th>Project Manager</th>
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(b) training helpdesk staff to deal with standard maintenance problems and identify at an early stage any calls which need to be referred to second level staff for more specialised maintenance;

(c) ISD compiling data to identify the percentage of standard maintenance problems dealt with by individual helpdesk staff compared to calls they referred to second level staff, so that further training can be provided to staff whose percentage is unacceptably low;

(d) better information being made available to all Departments on the response to their calls, to avoid follow-up calls being made to ISD to check on progress; and

(e) monthly helpdesk statistics being published online in a transparent manner and regular customer satisfaction evaluations being undertaken.

131. Our investigation highlighted problems with out-of-hours support and loss of access to systems which are required 24/7. We appreciate that ISD are currently voluntarily and without charge providing a certain level of out-of-hours maintenance without any financial support.

132. As we understand it, ISD do not provide any application support - they only support the network on which the systems run. Thus if an application fails the department or their external application supplier would need to find the fault; if the network fails ISD would usually be responsible. Sometimes when starting to identify the fault it isn’t very clear whether it is the application or the network. Outside of the normal working hours this issue may be made more difficult as no one from ISD is officially ‘on call’.

133. We have also been advised that, because essential 24/7 systems such as DoH’s Medway system are shared on the same server as other applications, regular maintenance or repairs to those applications results in loss of access. We have been advised by ISD that the increased use of virtual servers should reduce the amount of downtime to essential applications.

134. However, that would not reduce the amount of downtime as a result of problems with the applications themselves. Because ISD have insisted that applications are hosted within the ISD network, access for 3rd party application support companies can only be obtained through ISD, which is obviously more difficult during out-of-hours periods.
135. **Recommendation 6**

(a) *The network should be secured in such a way as to allow access by 3rd party support staff where necessary;*

(b) *if any departments are not satisfied with the current out-of-hours service, they should fund a more formal ‘on call’ rota system by arrangement with ISD; and*

(c) *using the IOMG Systems Map, application hosting should be planned so that programmed downtime for those applications which need to run 24/7 is reduced to a minimum agreed between the Department and ISD. Data on interruptions to services should be maintained by ISD and made available to the affected Departments.*
IV. SUMMARY OF RECOMMENDATIONS

RECOMMENDATION 1

(a) Business change managers should be selected by, and work for, the department sponsoring the business change, which may incorporate an IT solution. The department will select a Project Manager from:

• within their department, or
• a central pool of civil service change managers working within the business change team, or
• an external company, either for specific technical expertise or because no internal candidate is available who has appropriate experience for the role.

(b) After quotations for project management costs have been obtained in advance, any projected significant changes to the original quotation should be formally approved.

(c) A benchmarking exercise should be undertaken to identify a generally appropriate level of project management costs when considered as a percentage of the total costs.

(d) An ISD Officer, with appropriate technical knowledge, should be assigned to provide advice and support during each service investigation.

RECOMMENDATION 2

(a) ISD must consider ways of reducing its reliance on outsourcing, and

(b) ISD must negotiate with suppliers to obtain cheaper daily rates for long term contracts.

RECOMMENDATION 3

(a) Each Isle of Man Government department should have a Programme Manager responsible for overseeing all projects and meeting regularly with other Programme Managers and a representative of the Transforming Government Team. This group, the Business Change Management group, will consult the IOMG systems map, will share information on work planned and in progress, review new change
requests (service requests) and discuss the opportunities for collaboration.

(b) There should be one standard business change methodology managed centrally by the business change management group which will call for input from an IT specialist when required. A second business change methodology should be developed for use in lower risk projects.

(c) Business change should be managed centrally with information and documentation stored centrally and shared among business change personnel so that best practice can be highlighted and examples of previous similar work can be used to reduce the 'reinventing the wheel' scenarios.

RECOMMENDATION 4

The business change management team should include staff with business analysis skills.

RECOMMENDATION 5

The efficiency of the helpdesk system should be improved by -

(a) training Departmental CLOs (computer liaison officers) to deal with relatively minor problems, thereby removing the need for a helpdesk call;

(b) training helpdesk staff to deal with standard maintenance problems and identify at an early stage any calls which need to be referred to second level staff for more specialised maintenance;

(c) ISD compiling data to identify the percentage of standard maintenance problems dealt with by individual helpdesk staff compared to calls they referred to second level staff, so that further training can be provided to staff whose percentage is unacceptably low;

(d) access to better information being made available to all Departments on the response to their calls, to avoid follow-up calls being made to ISD to check on progress; and

(e) monthly helpdesk statistics being published online in a transparent manner and regular customer satisfaction evaluations being undertaken.
RECOMMENDATION 6

(a) The network should be secured in such a way as to allow access by 3rd party support staff where necessary;

(b) if a particular department is not satisfied with the current out-of-hours service, it should arrange with ISD to fund a more formal 'on call' rota system; and

(c) using the IOMG Systems Map, application hosting should be planned so that programmed downtime for those applications which need to run 24/7 is reduced to a minimum agreed between the Department and ISD. Data on interruptions to services should be maintained by ISD and made available to the affected Departments.

G D Cregeen (Chairman)

A L Cannan (Vice-Chairman)

B J Cannell

C G Corkish

L I Singer

March 2012
The Committee sat in public at 11.00 a.m.
in the Legislative Council Chamber,
Legislative Buildings, Douglas

[MR GILL in the Chair]

Procedural

The Chairman: Moghrey mie, everybody. May I welcome you to this meeting, which is a sitting of the Sub-Committee of the Public Accounts Committee, to hear evidence in public session.

The Public Accounts Committee was established by Tynwald on 22nd March 1983 and our remit has been amended several times over the years. It is too lengthy to read out today but, in brief, our remit is to examine the expenditure of Government funds and to scrutinise the efficiency and effectiveness of the implementation of Government policy.

This Sub-Committee is examining the procedures for dealing with Government IT systems, and we have therefore invited officers from a cross-section of Government Departments to give evidence to us, to give us a wide range of experiences, to enable us to reach our conclusions.

Today we will hear evidence from the Department of Health, the Department of Economic Development and the Department of Education. On 12th May we will hear evidence from the Department of Social Care, and our final session, as we currently plan, will be on 26th May and will be with the Director of the Information Systems Division.

I first introduce my colleagues on the Sub-Committee: Mr Dudley Butt, MLC; Mr Graham Cregeen, MHK; our Clerk, Mrs Marilyn Cullen; and our Hansard Editor, Mrs Groom, who is responsible for recording today's proceedings.

Could I remind everyone to ensure that mobile phones etc are switched off, to avoid any interference with the recording. Could I also ask everyone to ensure that only one person is speaking at all times, to enable us to produce a clear recording of what is said.
The Chairman: We now turn to our witnesses from the Department of Health, Mrs Scott and Mr Booth.

Mr Butt: Good morning, and thank you for attending.

Mr Booth and Mrs Scott: Good morning.

Q1. Mr Butt: Can I just start off with a general question about what are known as SRF procedures and the forms you have to submit to ISD to obtain or procure any service from them. How do you find that they work for you in your area, in the Hospital?

Mr Booth: They are quite long-winded, in terms of having to complete them and submit them. Quite often, mistakes can be made on the forms — usually quite innocently, and then the forms are returned and have to be re-completed and then re-submitted.

So, it does lead to mistakes and those mistakes tend to lead to further delays.

Q2. Mr Butt: Can I just, before we go to further questions, ask what your role is at the Hospital? What do you actually do?

Mr Booth: I am currently Head of Management Information for the Department of Health but, prior to the beginning of this year, I was Head of Information, Communications and Technology. The reason I am here today is under that guise, rather than my new role.

Q3. Mr Butt: Do you have any previous experience in these roles and any other?

Mr Booth: Yes, I have been IT manager in the UK NHS, and information manager prior to coming to the Island in 2002. I have got 19 years’ NHS experience.

Q4. Mr Butt: Thank you.

Mrs Scott: Yes, I am the Hospital Manager for Noble’s Hospital.

Q5. Mr Butt: And you have been there for how many years?


Q6. Mr Butt: Okay, thanks.

You say sometimes mistakes are made on these forms: are they mistakes made by both ends, or just in your end?

Mr Booth: Usually, they are mistakes probably made at our end, due to lack of understanding; but obviously, over the years, you do get better at these things, you do get used to the forms. We are not necessarily big fans of them, but we can usually complete them reasonably well.

Q7. Mr Butt: The Hospital, I understand, used to have their own stand-alone computer section, or ISD section, in the past — is that right?

Mr Booth: Yes, we have our own IT department — we still do.

Q8. Mr Butt: You still do. So what sort of expertise do you have there?

Mr Booth: A wide variety of expertise: we have basic expertise, where we have somebody on the help desk answering calls, right up to the IT manager, and all expertise in between — project management expertise, IT expertise in terms of repairing faults, problem-solving, troubleshooting and so on.

Q9. Mr Butt: We are interested in the way servers are used. Can you tell me what used to happen at
the Hospital with your servers? Were they your servers or were they shared? And what is the situation now?

Mr Booth: Prior to the advent of the twin data centres, we used to host all the hospital applications in the Hospital, and run on our own servers. We have still got a number of those servers in place, at the moment.

We have done this since 1984, when we had our first large computer system, which was the patient administration system. I believe we have done it very successfully in that time — no major problems. There are always problems, obviously, but we have managed to cope with those problems over the years and deliver a successful service.

Q10. Mr Butt: So just to reiterate, then, on that: you have had your servers and you still have your own servers for some applications. (Mr Booth and Mrs Scott: Yes.) Do you have any difficulty in managing those, with your staff?

Mr Booth: The servers are gradually being taken away from us. The applications are being taken away from the Hospital and put into the twin data centres. That is the policy that ISD are insisting that we follow.

What we would like to see is that we would like to keep managing the servers we have and upgrade those servers, so that we can deliver a better service to our users in the Hospital. I think, as we go through the evidence, that will become more apparent.

Mr Butt: Okay, so that was the history, then, of when you used to... (Mr Booth: Yes.) Shall I carry on or are you...?

Q11. The Chairman: No, could I apologise: I should have concluded my introductory comments by saying that, to assist you in preparing for today’s session, we have sent you a list of questions which we will be putting to you. (Mrs Scott: Yes.) Is there anything either of you would like to say before we start on those questions, by way of a statement?

Mrs Scott: No, that’s fine.

The Chairman: Thank you. My apologies for missing that part. Okay, perhaps if we carry on with Mr Cregeen?

Q12. Mr Cregeen: Is your Department consulted prior to ISD appointing consultants at your cost, and do they advise you what the possible costs will be?

Mrs Scott: Yes, on the whole, they do. They do not consult us about the person; it is about that they will need to appoint a project manager and they usually tell us what the cost will be for the project manager.

Q13. Mr Cregeen: Do you have any input on who the consultant is? (Mrs Scott: No.) Would it be helpful if you did have input, rather than...?

Mrs Scott: Yes, because we have quite experienced staff in healthcare systems, so it would often be of benefit for one of our staff to be a project lead, and to maybe use backfill from a different area.

Q14. Mr Cregeen: When you go ahead with the projects, does ISD give you any indication of likely completion dates for your projects? Are they generally accurate?

Mrs Scott: They do give us likely outcomes but, on the whole, they do tend to slide quite a lot.

Mr Booth: We would estimate our own completion date: if we were doing the project ourselves, we would talk to the supplier and we would have our own idea of how long a project should take. Invariably, it takes far longer when ISD are involved.

Q15. Mr Cregeen: So would you say that, because ISD have been involved, it has given you unacceptable delays in producing — and the consequence of cost — a service that you require?
Mrs Scott: Yes.

Mr Booth: Absolutely.

Q16. Mr Cregeen: Is there any way that you think that they could improve that service, by talking to you or allowing you a bit more freedom to project manage it?

Mrs Scott: We have tried to explore that with ISD, to look at ways in which projects can be managed and how we can achieve firmer deadlines that meet what we need to do because, obviously, the longer things go on, the more it costs us to do that. I have obviously got to spend money in the right way and meet with legislation and such like, which is often difficult to do with a project that does not come in on time.

Q17. Mr Cregeen: When they are not coming in time, do they listen to your concerns and react on them in a timely manner, or is it 'well, it's in the queue'?

Mrs Scott: It is in the queue, I would say.

Mr Booth: They listen, but they do not act.

Q18. Mr Butt: Could I ask, then, about prioritisation? ISD have all Government Departments to deal with, and obviously every Department has its own priorities. In terms of Health, where I know sometimes there is urgent stuff that needs to be done, do you have any way of getting up the queue ahead of anybody else, or does anybody actually assist you in that?

Mrs Scott: No. We form part of the queue, and 'everybody has priorities', is what we are told. So we just have to wait in line.

Q19. Mr Butt: So if it was urgent, what would you do?

Mrs Scott: Wait, unfortunately, and try and –

Mr Booth: We would make a representation to ISD (Mrs Scott: Yes,) and explain our situation. There have been occasions, to be fair, in the past, where they believe they probably have bumped us up the queue, but it does not always happen and, obviously, you cannot always say this is far more important than anybody else's – even though we may believe it is, because we are providing healthcare. That is a difficult one.

So, sometimes it would happen, to be fair, but certainly not always.

Q20. Mr Butt: Is there anybody in ISD you can speak to, to say, 'Do you have, in effect, a batting order and where are we in the queue?' Is there anybody you can liaise with to do that? Is anybody in ISO controlling that list, do you know?

Mr Booth: Our contact is the Chief Technical Officer and we have regular meetings with him, so that would be the time that we would raise our issues and explain our situation.

As I say, sometimes something may be done about it and sometimes it would not. So it is difficult to know whether we are going to get that treatment or whether we are not.

Q21. Mr Cregeen: When they appoint the consultants to go forward with your project, do you find that it is generally within that budget or would you say that it can run in excess of what you initially thought the cost... and with your contacts through other services, would it come in within a region or considerably more expensive?

Mr Booth: I would say it would usually come in more expensive – not always.

Again, there are always times when projects do come in on time and under budget, but there are also occasions when it does not. Hidden costs will suddenly appear that were not taken into account, and we are expected to find those costs. Of course, that potentially will bring in delays to the project as a result.

Q22. Mr Cregeen: When you question those hidden costs, do they give you a full reason behind it or
is it just, ‘Well, this is what has been incurred’, and you are expected to pay for it?

Mr Booth: They do not always, no. And usually we have to find the money, if we want the project to complete.

Mr Cregeen: Thank you.

Q23. Mr Butt: The various projects you have — I presume you have several projects ongoing at any one time — (Mrs Scott: Yes.) We were given information from you about the infection control system some time ago. Could you talk us through what actually happened over that, and what the procedure was with that?

Mr Booth: We followed the standard processes instigated by ISD, where we raised a service request.

Q24. Mr Butt: Could you say, first of all, what the infection control requirement was — what you actually needed it for?

Mrs Scott: Across the UK, in NHS Trusts — as you probably know from the news — there are infections that are acquired in hospitals. The Trusts in the UK, under legislation, have to monitor things like MRSA and such like, as I think probably everybody has heard about. So, in order that we comply with best practice, we needed to have a similar system: therefore that is when we started the project, to look at what is... ICNet is the project.

Dave will talk us through that.

Q25. Mr Butt: Can you tell us what actually you identified first and then how it progressed?

Mr Booth: We did research in the UK, identified the system that we wanted and raised an initial service request to put to ISD to say this is what we wanted, and this is how we envisaged it would work, the service request is then taken by ISD and that is worked up into a service information report, which outlines how they are going to deliver the project.

Q26. Mr Butt: Was the system a system you had been using in the UK already?

Mr Booth: Yes, it is a well-established... you could call it, almost, an off-the-shelf system.

Q27. Mr Butt: How simple was it? How much would it cost, roughly?

Mr Booth: It would cost about £16,000, I think it was, so it is not big money.

Q28. Mr Butt: A fairly simple system.

Mr Booth: Fairly straightforward — nothing unusual in terms of an IT point of view. These systems are implemented all the time in hospitals all over the UK. I have done very many of them myself.

So, in our eyes, it was fairly straightforward, or should have been fairly straightforward. So we put our case together. We were led to believe, very early on, that we would not be allowed to host the system in the Hospital as ISD were insisting that every new system, every new application, would be put into the twin data centres on their own servers, but we felt it was important that we at least made the effort to try and have it hosted in Hospital because we felt that the best way of delivering the system to our users. It would give us the control of managing the system, because it is purely a hospital-based system and it does not impact on anybody else in Government, so that was the stance that we took.

Subsequently, that was rejected by ISD and so, after many toings and froings of filling in the forms, we reluctantly agreed to go ahead and have it hosted with the twin data centres with ISD. As you can imagine, that did waste quite a period of time, which, in hindsight, you could argue, ‘Well, if we had agreed to have them in the twin data centres to begin with, we wouldn’t have wasted that time’, but we felt it was important to at least try and make a stand, to say, ‘Well, please try and explain to us why we can’t have it locally hosted in the Hospital.’ So we... and I will come to that later if I may. So we then continued with the project.

The project started in June 2008 and did not go live until July 2010 — that is 25 months — and, to me, that is totally unacceptable. Granted, we probably lost a bit of time that we could have gained at the beginning of the project with our stance; but, even so, that is an horrendous length of time to put any
system in, and that is primarily down to the processes that we had to follow with ISD. It does not just affect us in the Hospital, it affects the suppliers as well.

They have never come across having to deal with a company like ISD. They normally deal directly with the Trust in the UK and their IT department. ISD are in the middle of all this, so it is an extra layer that the supplier has got to deal with. This happens in every system now that we have to put in, and it just prolongs the whole process. ISD have got very stringent security models that the suppliers have to follow. It is absolutely right and proper that we have these security measures, but there comes a point when the security actually stops you doing your business. If nobody had access to anything, the system would be totally secure, but nobody would be able to do anything. So there has got to be a balance somewhere along the line.

So it is, to me, unacceptable that it has taken that length or time and we have got exactly the same problem with the Somerset cancer register, which is another system that we provided information on. That started in July 2009 and looks like it is not going to be completed until at least July of this year – similar problems. The suppliers have had great difficulty in providing the documentation that ISD have insisted they produce, because they have just not been used to doing that.

Q29. Mr Butt: What about the costs of, say, the infection control system? You said £16,000 to buy off the shelf. What was the eventual cost for that?

Mr Booth: We have probably spent an extra £18,000 having to deal and do it the ISD way.

We have probably spent something like £20,000, or will spend, about £20,000, on the Somerset cancer register. So between the two systems, we are probably estimating between £30,000 and £40,000 extra. Now, that is quite difficult to say, in terms of a finite cost, because there will be other costs that we would have to have picked up if we have done it, but those are the sorts of figures we are talking about.

I am not saying that would be same for every system, but they will be there or thereabouts, and considering the cost of the system is only £16,000 to begin with, it just seems to be a little bit of overkill.

Q30. Mr Butt: But these are relatively simple off-the-shelf products which are used throughout the UK (Mr Booth: Yes.) that you say have been adapted? (Mr Booth: Yes.) And had you still had your own servers and control that you had prior to... what year would that be?

Mr Booth: Yes, whenever the twin data centres were introduced. So it was some time over the last few years. It is certainly the last three or four years that have caused us the biggest problems. But, if we had done it ourselves, we would have had the infection control system in within three to six months, we believe, if we did not have to deal with ISD and follow the ISD methodology.

Q31. Mr Butt: And the Somerset cancer programme, that is quite an important programme to monitor the... it helps people with cancer, doesn’t it?

Mrs Scott: Yes, it tracks people with cancer – the diagnosis of cancer – and tracks them through the system to make sure that they do not get lost in the system and that people get the treatment at the right time and follow the proper cancer pathways.

Q32. Mr Butt: Would it be fair to say, then, forget the money and extra costs, it is actually the delay in implementing it that might have the more effects?

Mrs Scott: Yes.

Q33. The Chairman: Could I just ask, or just be clear: if you had the £16,000 system for the infection control and you put that into place as, I think you described, UK hospitals do, do you think, in your technical opinion, that there would be any security risk to the wider system for that?

Mr Booth: No. Personally, I do not. Prior to the twin data centres, we have been doing these sorts of things for years – very successfully. I am not saying nobody has issues and problems from time to time, but we have always managed to deal with those and there has never been any serious security issues because we follow proper ICT governance. The important thing, I suppose, to mention is that we would only have health systems in the Hospital and, if necessary, we could put a system that needed to be extremely secure on its own server. We tend to double up. We would obviously have more than one application on a server for economies of scale. It would be silly to have one server per application, but we would minimise the risk from that point of view.
The thing with the data centres is that ISD have not only health systems on the server, they also have finance systems. I know for a fact that the Medway patient administration system shares the same server as the Axapta finance system.

Q34. Mr Butt: Could you explain what the Medway is for—

Mr Booth: Medway is the patient administration system, which is the main system of the Hospital. It tracks the patient as an inpatient, or as an outpatient, and gives all the information on your attendance at the Hospital.

Mrs Scott: We manage the patients in the wards using that system. So if a patient is admitted and an alert is seen on that system, it tells you that somebody has an allergy, or that you should check for allergies, and suchlike. It a system that is needed 24-hours a day, seven days a week and not a system that can be stopped or halted at any point in the day. That affects the workload, and how we work, to do that.

Q35. Mr Butt: So what is the consequence of sharing that system with—

Mr Booth: It brings an extra risk into the equation that if something happens to the finance system, and the finance system needs to be taken down—

Q36. Mr Butt: Which system is that?

Mr Booth: That is Axapta. Every Government Department uses it.

Mr Butt: Axapta?

Mrs Scott and Mr Booth: Axapta. Yes.

Mr Booth: And, to my mind, I just find it incredible that they are putting the biggest hospital system on the same server as the Government-wide finance system — it doesn’t make sense to me. If that system is taken down, then the Medway patient administration system is also affected.

Q37. Mr Butt: Is it ever taken down for Axapta?

Mr Booth: It is, yes. Yes. Obviously.

Q38. Mr Butt: What happens then?

Mr Booth: It can affect the operation of the Hospital.

Mrs Scott: We have to resort to manual admission of patients in an emergency, which then has to be input at a later date. That alters how we get records, how we find patient numbers... lots of things. It brings the Hospital to a standstill a lot of times.

Mr Booth: By the same token, it could work in reverse: that if we had to take the Hospital system down — and we had a lot of problems in the early days with the Hospital patient administration system — it would probably affect the Axapta usage as well. So it works both ways.

Q39. Mr Butt: You are, in effect, saying to have a separate server for the Hospital would be the better way?

Mr Booth: I suppose what I am saying is, we would prefer to have the Hospital systems in the Hospital, so we could manage them. It would not affect anybody else. We would cut out ISD, we would save a lot of time and effort and we believe we would deliver a better service to our users.

Q40. Mr Butt: Why can’t that happen? Why can’t you have your own servers?

Mr Booth: As I mentioned before, we tried, when we first submitted our requests for the infection control and had it rejected by ISD.

The reason ISD use on every occasion that we try this, they say it contravenes financial directive 27.
Financial directive 27 is there for a very important reason and absolutely no problem with it as a principle, but one part of that directive stipulates that all applications should be housed in the data centre, the Government data centres, unless there are extenuating circumstances...exceptional circumstances.

Q41. Mr Butt: Do you know what those are?

Mr Booth: No, we have asked—we have said, we believe this is an exceptional circumstance and we are just told, no it is not. We say 'Why isn't it?' 'Well, it isn't, because it contravenes financial directive 27.' So we say that is not good enough, but that is all we get and the final parting shot usually is, 'Oh, so you are objecting to Comin policy, which then puts us...what do we do? So, I suppose the answer is that, yes, we are objecting because we do not believe it is right.'

Q42. Mr Butt: It is Comin policy to issue these directives and regulations.

Mr Booth: And ISD are the ones advising Comin that those are the directives that should be used, so it is a difficult situation, but that is what they hide behind whenever we try.

Q43. Mr Cregeen: You were saying about the Medway and the Axapta, Roughly, in the last couple of years, how many times would you say that Axapta has been taken down and affected the Medway?

Mr Booth: I don't: there was one recently.

Mrs Scott: I don't: there was one recently.

Mr Booth: There was one in January, and there have been a few others, but I do not know the exact number and, to be fair, I suppose it does not happen that often. When it does happen, it is usually out of the main bulk hours, but because we are a 24-hour operation, it is always going to affect us, no matter when it happens.

The principle of it is...the fact it is happening once, has disrupted the Hospital and it is bound to happen again at some stage, so it does happen and it will happen.

Mrs Scott: I do not think it is the number, it is the impact on the Hospital that is the problem

Q44. Mr Cregeen: Is it for a couple of hours? Could it be for the day?

Mrs Scott: It can be for several hours.

Mr Booth: Probably not for a day—that would be extremely serious; but, certainly a small number of hours.

Q45. Mr Cregeen: From my experience, what we usually get is an e-mail, saying that the servers are being shut down in the evening, or possibly at the weekend. I suppose Friday evening would be one of the worse things for an emergency admission for you if it gets...

So do you have any feedback? Are you able to say, 'I am sorry. This is not going to be acceptable to us if you shut us down then'?

Mrs Scott: We have said it, but it does not make any difference.

Q46. Mr Cregeen: Who do you liaise with in ISD? Is it straight to Mr Paterson or...

Mrs Scott: Usually to Mr Clarke, to Peter Clarke.

Q47. Mr Cregeen: Have you ever had to raise it past that to see if you can get any result, or does it come across as pointless—'this is where it stops'?

Mr Booth: I do not think we have, have we? (Mrs Scott: No.) We have not raised it to Mr Paterson, as such—although we know Mr Paterson is fully aware of this, because Peter Clarke reports directly to him.

Q48. Mr Butt: You have regular meetings with ISD, I believe—is that right? (Mrs Scott: Yes.) How did they come about?
Mrs Scott: Because of the frustrations that Dave and myself and the rest of the executive team were experiencing — no matter what efforts we made, it seemed to fall on deaf ears — I set up regular meetings with ISD and Dave and myself, in order that we can go through each project, and we can look at where we are at and what is happening and see if we can unblock things along the way.

Q49. Mr Butt: Has that proved useful?

Mrs Scott: It is useful; it would be wrong to say it is not. It is useful, but I honestly would not say; I do not think it has made that much difference.

Q50. Mr Butt: Presumably, you have got some more projects in the pipeline that you need something... (Mrs Scott: Yes.) So if you had your own server, would that be simpler to do, or would that...

Mr Booth: It would be a lot simpler. We think it would be a lot more cost efficient as well.

Q51. Mr Butt: Do you have a separate... for IT, or do you... or is it part of maintenance?

Mrs Scott: Yes, we have a set budget for IT developments.

Q52. Mr Butt: Is that set each year?

Mrs Scott: Usually, okay, but Dave and I are very careful in what we spend and how we spend it and, obviously, we have to take into account the spend that is needed for ISD. We also apply to charities to help us with projects. Obviously, we are usually successful with those.

Q53. The Chairman: Could I ask you, Mrs Scott, you used a phrase earlier about the impact on the Hospital. Could I ask you that, particularly with an emphasis on what that might mean for patient care?

Mrs Scott: Right. If a patient is admitted to A&E, we would not be able to see the records, if the electronic system is down.

A lot of records are now held electronically, which makes the care of the patient a lot easier, because the doctor admitting in A&E can see the last letters that have gone out if a patient has been treated in the Hospital. They can see blood results, they can see, as I said earlier, any alerts that there may be for the patient, any appointments that are pending, that sort of thing, because often patients cannot tell you what has happened to them, because they are either not well enough or they are unconscious or the family do not know and so to see the records is very important.

So we are very dependent, then, on the paper record, which is something that we are trying to get away from, because paper, obviously, is a lot to transport around the Hospital and someone has to go in search of those records, which takes time.

Q54 The Chairman: So in the worst case scenario, could patient care or patient lives be put at risk, or ill health be put at risk?

Mrs Scott: I think lives put at risk would be the extreme because that would not be how we would work. we always will find a way round things, because that is what we do in Health. You have to find a way round things to care for somebody. So we would always use a paper record eventually but it is not the easiest way to make things happen and to care for patients.

Q55. The Chairman: I appreciate you cannot give a definitive answer, but from your experience and impression, would you think that the UK hospitals which have their own stand-alone systems you have described... when those systems fail, would they be in exactly the same position you are describing?

Mrs Scott: They would be, but they would have an on-site team, who would then deal with those problems and usually they are already organised in such a way that they have servers that would mirror each other. So the loss of one may be that another server will be able to supply the same information or similar information.

So IT teams have been in place in UK Trusts for many years and I have worked with them as well, so they respond immediately, as will the IT team at the Hospital, but we are limited in what we can actually
access. There are certain things that are still with us that we can access and fix ourselves; others are dependent on others to fix, which is where we have the problem.

Q56. The Chairman: In general terms, what are the advantages and benefits that you, as practitioners, enjoy from having a relationship with ISD?

Mrs Scott: There are Government-wide systems that I think should be with ISD and they would work well because they are serving the whole of Government. I think it is the ones that are just Health where the challenges lie, which is where I think the relationship is not... We have got different agendas: I think that is where the problem lies, and so therefore the relationship is at odds with itself.

Q57. The Chairman: That to me, if I am picking that up, rather sounds like your view is there will be a benefit in having two parallel systems: one for all of Government, which you may –

Mrs Scott: We would need to link into – yes.

Q58. The Chairman: And there are other occasions where there should be a division and you should be standalone; and, indeed, that is the practice elsewhere.

Mrs Scott: Yes.

The Chairman: Thank you.

Q59. Mr Cregeen: Just something you mentioned earlier about out-of-hours... Out-of-hours, if the system goes down, what is the response time from ISD to a failure in the system out-of-hours?

Mrs Scott: Out-of-hours, it is variable because we have to go through procedures to get somebody from ISD. They do not always have the right person available at the time and so it causes us delays.

Mr Booth: There is no 24-hours for ISD. It is nine to five. If it is out-of-hours, it has usually already been pre-booked, so it is a planned kind of problem; if it is not, if it is an emergency, then we... the way we have been asked to do it is to phone Peter Clarke. Peter Clarke will try and get somebody in to help. So it is a bit hit-and-miss.

Q60. Mr Cregeen: So does that count... You say nine to five, but what happens at weekends? Is the nine to five at weekends or...

Mr Booth: No, no, it is Monday to Friday.

Mrs Scott: Monday to Friday.

Q61. Mr Cregeen: So if you hit a problem at six o'clock on a Friday evening, and it is a severe problem, it could be Monday by the time they have actually got there, because it is that sort of service?

Mrs Scott: Yes. It does not tend to be, from my recollection, I don't think – I do not know if Dave has got anything to add? Our team, the systems that are ours, we call in our own staff, who would then come in straightaway.

Q62. Mr Cregeen: So you would call your staff, not ISD, because they could –

Mrs Scott: It depends which system it is, so –

Mr Booth: It depends where the system resides. If it resides in the Hospital, we have got an element of control in how we manage it. Our staff, whilst again, are not 24 hours a day staff, they do best endeavours and will come in when asked.

ISD: if the system is residing in the data centres, that is a different kettle of fish and we have to then rely on ISD being available, which is not always the case.

Q63. Mr Cregeen: What about people at the data centre – just no direct contact?
Mr Booth: No. We go through Peter Clarke. He will then provide somebody.

Q64. Mr Cregeen: And if Peter Clarke is on holiday?

Mr Booth: Well, Peter says he will always have his phone switched on.

Mr Butt: Can I ask about — Chairman?

Q65. Mr Cregeen: Just one thing, on saying that he will always have his phone switched on: what happened if it was Peter Clarke who had an accident, is taken to A&E at nine o’clock on a Friday, unconscious? You could pick his phone out of his pocket, but —

Mr Booth: It is a bit hit and miss.

Mrs Scott: No back-up, no.

Q66. Mr Butt: Could I ask about fault repairs: say your system has a fault on it. Some software suppliers, I understand, can go in remotely and fix the fault. They can be UK-based, or wherever they are. Do you have that facility to not use ISD, but get the supplier in, to come and do a repair for you?

Mr Booth: If the system is in the Hospital, yes. Obviously, the supplier would have to be given permission — they cannot just dial in willy-nilly.

Q67. Mr Butt: You mean in your Hospital service?

Mr Booth: We have to do something to enable them to do it.

Q68. Mr Butt: If it was Medway, they could not?

Mr Booth: But if it was Medway, it would be ISD that would have to provide that facility. Again, that is an extra layer in the mix, because we need to be aware, because we need to know that the system is down and there may be some testing that needs to be done, before it goes back to being live.

If we had a direct link to the supplier for all our systems, we would not need ISD; but because ISD are in the mix, they are another element that has got to be available and they are not always available.

Q69. Mr Butt: So, if Medway goes down, the supplier of Medway could not come in and go through ISD and repair the fault remotely? Do they allow people to do remote?

Mr Booth: They do, but they have to go through ISD to do it. So ISD have to be there.

Q70. Mr Cregeen: So that is on every case: they cannot just give approval to the company to have access to it. It is on an individual basis, is it?

Mrs Scott: Yes, as far as we are aware.

Q71. The Chairman: And is the rationale behind that a security based one?

Mr Booth: Yes, and the security aspect is right, because allowing suppliers, willy-nilly, to dial into their systems, who knows what they are up to and what they could get to? Again, that is the problem with sharing health systems with finance systems with systems from other Government Departments on the same server. It is a risk.

Q72. The Chairman: So all systems which are in the main Government system all have to have the highest security level, even though the loss of those individual systems — because you are dealing with patients and there are sensitive issues, that is sensitive and secure advice, but if you are dealing with something which may not be — year planning in education, for example — it would not really matter if that was lost or compromised but, nonetheless, everything has to have the same security application, as a cost, and as a —

Mr Booth: The process to enable the other Departments, plus ourselves, to get those systems into the
data centres is the same, whether it is a small, simple system, or whether it is a large multipurpose system, which costs millions, the same process has to be followed.

One of the things we have been asking for is a cut-down, simpler version to enable us to get the systems in quicker without having to go through all the hoops that ISD are placing there.

Q73. The Chairman: What is the response to those requests?

Mr Booth: No. The answer has been no. They want the same system, because it is easier for them to manage.

Q74. Mr Butt: Can I ask a question on that: you have got your own servers still — why can’t you put these simple systems onto your own servers now?

Mr Booth: They will not let us. We have already got some and they are still there, but we need to upgrade our servers. We want to replace some of our old servers with the new server and put some of those applications onto the new server. We have submitted a request for this and ISD reluctantly allowed us to identify three options and investigate and cost those options: one was to housing in their data centre and cost it; the other was to house in the Hospital, and cost that; and, the sort of a halfway house, where it is housed in the data centre but will give us access, give my IT guys access to managing that. We thought that was a big breakthrough because that would, we believe, identify the best solution in terms of time limits and cost.

That was raised in October of last year. We received the service investigation report last month. They only costed the hosting in the data centre option. They rejected, out of hand, hosting in the Hospital, quoting financial directive 27, yet again, and only gave a cursory look at the hosting in the data centres for allowing us access. That was totally against what we asked them to do and we have paid them to produce that report. So we have sent it back. Now, that is six months wasted, as far as we are concerned. We have lost six months already in this particular project, so they have got to rewrite that.

To be honest, you learn to distrust what they are then going to come back with because they are trying, in my mind, they are even manipulating it, so it will give them a favourable outcome. They are trying to wear us down, so we will just give up and say, ‘Okay. Put them in the data centres. We don’t care anymore’ – or it is just pure incompetence? Personally, I am not sure which is worse.

Q75. Mr Butt: Is there a system called ICNet? Is that the one to which the infection control was going to be latched onto?

Mr Booth: ICNet is the infection control system.

Mr Butt: It is –

Mr Booth and Mrs Scott: Yes.

Q76. Mr Butt: Is that now up and running?

Mr Booth: Yes, it is.

Q77. Mr Butt: And wasn’t the Medway System supposed to have had lots of add-ons, as well, over the years? Am I right there, or not?

Mr Booth: It has –

Mr Butt: Is that the CC –

Mr Booth: CCSS, Yes, Community Care Support Service. That is in and working. Medway has regular upgrades, so that is fine. It is not without its problems, getting an upgrade in, but that is fine. That is working, after many difficulties to begin with, with the suppliers trying to get access – the sorts of things we have already discussed.

Q78. Mr Butt: I should declare that I am actually a member of the Health Department politically, and I know some of these issues. I do find, in my role – Mrs Scott may not agree with me – there is an awful lack of information about how things are developing, and progress with some issues, like waiting lists and
infection controls and others, and there is a lack of data for people to actually administer how the Hospital, in particular, works — I do not know if you agree with that, Mrs Scott (Mrs Scott: Yes.) — which does need some more IT to help progress that — which I you think is your new role, isn’t it?

Mrs Scott: Yes. We are lacking in information.

Q79. Mr Butt: So I am just wondering how your relationship with ISD affects your future plans?

Mr Booth: That is a very good question, actually. We have not come here lightly. We would prefer not to have had to come here to do this, and we have a very good relationship generally with ISD, over the years — or we have had. There are some excellent people who work there, and I think it is important to say that. I do not want the relationship we have to be jeopardised by what we are doing today; but we cannot continue as we are, particularly in the financial climate, and we believe it is wasting money.

We believe we have a better way of delivering the Health Service applications to our users in a much more timely manner and a much more cost-effective manner. If that means it compromises to a certain extent our relationship with ISD, then so be it.

But in my new role, I am having to put a new management information system in that enables us to interrogate the data in Medway. I am struggling at the moment with ISD, to get that system up and running. I am not pointing the finger specifically on this particular project. There are issues, on both sides, to be fair, but it is an example, and I am just wondering how this is all going to play out and what our relationship is going to be like, when the dust settles.

So it is an excellent question and I am not sure, really.

Mr Butt: Thank you.

Q80. The Chairman: Could I ask, in terms of political representation, which is, I think we all accept in the Isle of Man, sometimes the involvement of politicians to ensure that resolution to problems is undertaken, where there has been a clash at officer level. You would have a political Member and a political Minister, who could champion your concerns or causes. Who would the opposite person have been when ISD was in Treasury and who would it be now at each of those Member/Minister levels?

So, going back to Treasury, presumably it would be the Treasury Minister and was there a Member you are aware of who was responsible for ISD specifically?

Mrs Scott: Not that I am aware of. The only... In the past we have had to ask Mr Teare to get involved when we were having trouble in progressing issues, but that is not something I would do lightly, because that is the last resort in my book.

Q81. The Chairman: Now that ISD is part of Economic Development Department, who would the political representatives be? Are you aware of who they would be?

Mrs Scott: Not to represent ISD specifically, I am not, no.

Q82. Mr Cregeen: You were saying earlier that you did not come here lightly. Would you consider that, across a lot of Departments in Government, they are afraid of rocking the boat with ISD, because there could be some sort of backlash, to say you have upset our apple cart, so next time you want something we are going to make it more difficult? Would you say that is common across most Departments?

Mr Booth: I would certainly say it is probably quite likely. I do not know how... I honestly could not say, it would just be my opinion, but I would have thought it is definitely a possibility.

Mrs Scott: I would not know across Departments. I know for ourselves, in the past, we have wondered when we have asked questions, do we then go further down the queue? It feels that way.

Q83. Mr Cregeen: And a wish from anything that would come from this Committee: would you hope that there would be a better service provided to all Departments and possibly some savings coming out of that?

Mrs Scott: Yes; and some realisation that others can do things and host their own servers and systems, and still comply with IT governance and such like.
Mr Cregeen: Do you think they treat you as a customer, with the sort of service you get, or is it ‘We’re the only people that you can deal with: you do it our way or no way’?

Mrs Scott: Yes.

Mr Booth: I think yes, absolutely. I do not think they see us as customers, I am afraid.

Mr Cregeen: Even though it is your money?

Mr Booth: Even though it is our money - I really do not. I think they do it and I do not think there is any thought about that goes into it at all - because we have nowhere else to go. At the end of the day, we have to use them.

Mr Butt: So looking for the way forward, then, it seems to be that some of the issues discussed today are about the servers, about having control over your own servers, with specific examples purely in the Hospital. It may be the same for primary carers, in Primary Care?

Mrs Scott: Yes, quite possibly. I am not sure what Primary Care have.

Mr Butt: So would you say, Mr Booth, that a solution to this would be something to do with the way servers are configured?

Mr Booth: Yes, to sum up from our point of view, there are two major things: the length of time it takes to process a project using the ISD methodology, where one size fits all. We do not believe one size does fit all. There should be a much better way and a quicker way of processing smaller systems. That would be a major step forward, if we could get that, even if the systems had to reside in the data centres.

The best solution for ourselves would be to be allowed to host, certainly, some applications, or continue to host some applications, in the Hospital. We have got quite a number of applications ready to be changed and upgraded. We need a new server to be able to do that. We are not being allowed to do that. We believe that is the best solution for the Hospital.

There may well be some solutions, in the future, where it is best to reside in the data centre, and we would be more than happy to discuss with ISD whether that is the best course of action; but we would like to have the choice and not be dismissed out of hand, as we are being, to say ‘You can’t do it’, without a satisfactory explanation.

The Chairman: Could I just conclude with two questions: are ISD’s internal communication procedures efficient; and is the advice you receive from ISD consistent?

Mrs Scott: No, the communication is hard to describe as to how it happens. You assume you have communicated with someone and it has been passed on, but it does not always appear to be the case. It is very confusing, as a user and as a customer, as to how they communicate and how the systems work.

The Chairman: Finally from me, is there a complaints procedure, if your Department is not satisfied with ISD’s service?

Mrs Scott: Not that I am aware of.

Mr Booth: Not an official complaints department. We have now got an excellent business relationship manager, Elaine Litherland, who has been really good and very supportive and we have started to feed complaints through her. It remains to be seen, what becomes of those complaints, but there is, whilst I do not know how official that is, but it is a way of getting a complaint through.

The Chairman: In the same vein, then, is there a formal procedure for comments or compliments that would be beneficial to pass on? Is there a mechanism for that, either?

Mrs Scott: Not that I am aware of, no.

The Chairman: Are there any final comments we have not given you the opportunity to share with us?
Mr Scott: No, I do not think so. It is fine.

The Chairman: Mr Booth?

Mr Booth: No, I think, as I mentioned just a few minutes ago, it is the hosting of the servers, the process being slimmed down and ISD being more accountable to their customers would make a huge, huge difference.

Q92. Mr Butt: We will follow up on that one. Your current staff in your IT department, are they confident and qualified to run your own service?

Mrs Scott: Yes.

Mr Booth: They used to be. Are they still up to that?

Mr Butt: Yes, absolutely. If there was ever a problem that we could not do, we would ask for help and we would buy help in, if necessary so, in the unlikely event that we needed extra, we would know where to go to get it.

The Chairman: Thank you, on behalf of the Department, can I thank you very much for coming in and giving evidence today. It is very much appreciated. I am sure we understand your sentiments of what you said about possible adverse effects. I hope that would not come to pass.

If there are any further comments, on reading Hansard, we would like to clarify with you, perhaps we could do that, either in person or by writing, if you are content with that.

Mr Booth and Mrs Scott: Thank you.

The Chairman: I think we will just have a five-minute comfort break, if that is in order.

The Committee adjourned at 11.53 a.m.
and resumed its sitting at 11.57 a.m.

Procedural

The Chairman: Before we begin, would anybody have an objection if, during evidence, our Seneschal was to take some photographs of the Committee in action for the Tynwald Report? They will be taken from the back of the room, so nobody will be identified. I hope it will not be disruptive, but are you okay with that, Mr Roper?

Mr Roper: Yes, I am fine. Thank you.

The Chairman: Any objections?
Thank you.

Again, good morning, everybody. We will not go through the preamble that I had earlier, but I would just introduce Mr Roper, and thank you for coming to give evidence.

You are aware of the role of the Committee and the membership of the Committee (Mr Roper: Yes.) and we have previously met in private.

I would remind everybody to ensure that their phones are switched off.

EVIDENCE OF MR S ROPER

Q93. The Chairman: If I could commence, Mr Roper, by asking you to state your name, your current title and a brief description of your responsibilities to the Department.

Before you do that, to assist in preparing for today's evidence session, we sent you a list of questions which we will be putting to you. Is there anything that you would like to say before we begin on that list
of questions?

*Mr Roper:* No, I have been through the questions and I am happy with that.

*The Chairman:* Thank you.

**Q94. Mr Butt:** Good morning, Mr Roper, or good afternoon now. Can I just get from you, your experience in your current role and what your previous role was... your experience of IT and related issues?

*Mr Roper:* Yes, certainly. I have been in my present role, which is Information Systems Manager with Economic Development, for just over four years. Prior to that, I was with the then Department of Trade and Industry, working at the Manx Multimedia Centre down in Peel, training people for film and television, which involved a lot of multimedia. Prior to that, my job before that was actually interactive multimedia project manager with a company across.

I have actually been working with computers as such probably since the early 1990s.

**Q95. Mr Butt:** We are asking questions today about the relationship of ISD with Government Departments, basically, and how it works and does not work. First of all, to contact ISD, to get a new project under way, you have to fill in certain forms and go through certain procedures. Can you tell us what your experience of those is?

*Mr Roper:* Yes, to me it is fairly straightforward. We have what is called the service request form, which is just an initial form, on which you lay out a paragraph of information, saying what it is that you are aiming to do, how it fits in with your departmental plans and then it goes forward to ISD. You have to give an indication of what budget you have available to you.

**Q96. Mr Butt:** And you have a separate budget in your Department for ISD?

*Mr Roper:* Yes, there are separate budgets for IS, but it depends how big the project is. If it is a really big project, then we might have to apply to various different places for monies for that.

**Q97. Mr Butt:** Do you have staff in your Department who can actually undertake the implementation themselves, or do you have to rely on ISD for all of your [inaudible] expertise?

*Mr Roper:* We rely upon ISD for that.

**Q98. Mr Butt:** How does that work, practically, for you?

*Mr Roper:* I find it works extremely well because, following on from the initial request, it then comes back and they will ask for more information on, what they call, the service request report. From that they can then start working out the actual full investigation of what is required — working out all the ins and outs of it — and from that we also get an idea of the costings and timings.

**Q99. Mr Butt:** Can you get things through quickly enough for your needs? Do you sometimes have delays or is it sufficient for what you need?

*Mr Roper:* For what we need, I find it quite sufficient. At that early stage it is so important to get all the facts that you need for a new system. There is no point in getting halfway down and building something, then to suddenly realise there has been a bit missed out. So the more time that is taken then to get an exact investigation report of what is required, then the better afterwards when you come to the building and implementation.

**Q100. Mr Butt:** What sort of systems do you actually implement in DED, or it was DTI? What sort...

*Mr Roper:* We have implemented a new computerised system for Work Permits which fully computerises the whole of all that; before, it was mostly done on paper. We had about 50 four-drawer filing cabinets full of paper. So that has all been backscanned and now put onto a complete system, because it is not just the work permits that share a system like that, we also share with other Government Departments, such as Immigration, then DHSS and... DSC now, and Tax and Treasury people, as well.
So they can actually now all feed into it.

Other ones we have done: we have computerised the Job Centre over the road, whereas, before, we just had the individual cards and the stands, but that is now all done through touchscreens or through computers, the system there; we have also taken our training services systems, which is all to do with the apprentices and grants and all that, and that has been fully computerised, as well. So they are the main ones and there are lots of little smaller ones that are done, as well.

Q101. Mr Butt: Do you find that you give any priority to get these systems in because of the economic situation or do you have to queue with everybody else?

Mr Roper: No. As far as I am aware, we queue exactly the same as everybody else, but it is a question of looking at it and seeing what the priorities are. Within that initial service request report, there is actually asked for a date or a deadline and that can sometimes be quite critical and crucial.

Q102. Mr Butt: Do you always get the deadlines met?

Mr Roper: No, I will be honest: it would be very rare that you get systems that do meet deadlines. We have had a couple and, certainly, the Work Permits phase I was one of the ones that we actually got in on time. But other ones: there are all sorts of reasons why systems always take a bit longer than initially anticipated.

Mr Butt: Okay, thank you for that.

Q103. Mr Cregeen: Do you find that since ISD is now part of the new... your Department of Economic Development, you have a better link than previously, when it was DTI and Treasury?

Mr Roper: No, I do not. I have exactly the same rapport with them as I had when we were DTI and they were in Treasury. There is no difference at all.

Q104. Mr Cregeen: And the packages that you get, are they bespoke, or does ISD just say —

Mr Roper: The packages that we go for do tend to be bespoke, because they have such a specialist nature.

Q105. Mr Cregeen: So there are no off-the-shelf systems?

Mr Roper: We have no off-the-shelf systems, no.

Q106. Mr Cregeen: On your completion dates, do you find that there is just a small window that it goes over, and the cost — is there any cost differential between what you were initially told?

Mr Roper: That is monitored throughout the whole project. There are set milestones throughout the whole project, so you know way beforehand if something is (a) going to overrun, or (b) incur extra costs, because if that does happen then, obviously, there has to be a meeting of the people in the steering group put together, to keep them fully informed of what is required. Sometimes, unforeseen things happen, legislation might change, and we suddenly might have to make a change within a system. With something like work permits, we had one or two changes in there. You cannot anticipate everything, so consequently you have to look at what you can do, what is required, against how much it is going to cost.

Q107. Mr Cregeen: So, when you are looking at the systems that you want, do you get the consultants in from ISD, they tell you it is going to take so long, it is going to be so much, or do you personally have a rough idea what these systems are going to cost?

Mr Roper: No, it is very difficult to tell. You know what you want as an end-product, but it is always very difficult to go through the process to get to that, so that is where ISD and the project managers come in and work out in the service information request, the SIR, that we get back, because that then lists out what it is they are going to do, how much it is going to cost and how long it should take.

Q108. Mr Cregeen: So whereas some other Departments when they have the off-the-shelf packages, they have a rough idea before they actually want to go ahead with it, yours is very much, because it is
Mr Roper: Not really, you can have a ballpark figure, finger in the air job: you get a rough feel for how much these things are going to cost, because you obviously have to have that amount of money put aside ready in your budget for that, but if anyone is going for a bespoke package, then it would be quite different, because then you would investigate it yourself, find out how much they cost and also look at, because it is very rare that an off-the-shelf package will ever work straightaway. Most of them need a little bit of tweaking, whatever, so it would work the way you want it to work.

Q109. The Chairman: So how do you determine your budget, then? If you do not know what you are going to spend, how do you know how much to ask for?

Mr Roper: There is a set budget within the IS department in DED, or, as it was, DTI then, but you have a rough idea of how much these items are going to cost... a finger in the air – but also by going through the SIR process, you are then getting the full amount back and then that way you can then see that this is how much it is going to cost us and is the money available in the budget, or do we then have to go to the ITC fund, or whatever, to get the monies.

The Chairman: So is the ITC fund... No, we will come back to the ITC fund, if we may.

Q110. Mr Cregeen: Just one thing, then, you say it is just 'a finger in the air' for you –

Mr Roper: It is, very initially. You might have an idea of whether it is going to cost £100,000 or £200,000, or whatever.

Q111. Mr Cregeen: But you could be in a situation where you would like a system in. You then have to go through your consultants and they could come up with a cost. Is that actually prohibited, for you to be in the system?

Mr Roper: Correct.

Q112. Mr Cregeen: So you do not personally benchmark yourself with other systems that you see running, about what their costs are?

Mr Roper: You will go and speak to other people; but, as I say, because the systems that we have tend to be bespoke, it is probably not the ones that are exactly the same.

Q113. Mr Butt: Could I ask, you are an expert in media, I believe from your previous history and you will understand why I am asking this question.

I know, some time ago, the Film Commission were looking to have Apples to work with, because of their special characteristics for the film people, and they were trying, some years ago, to get them, but they could not get them because of the systems that we then had. Has that progressed in any way?

Mr Roper: Well, the Manx Multimedia Centre finished back in 2005.

Q114. Mr Butt: And are DED now and the Film Commission still looking for Apple Macs?

Mr Roper: The Film Commission are just Isle of Man Film now, and there are only a couple of people there. We have got an Apple Mac for them.

Mr Butt: You have?

Mr Roper: We have, which –

Q115. Mr Butt: Is that outside the normal catalogue –?

Mr Roper: It is, yes, because Apple Macs are not on the normal catalogue, but we got it through Education, who use a lot of Apple Macs, so we still bought it through Government. It was because it was needed to use industry standard software, because Isle of Man Film will produce small trailers from a lot of the rushes that we see from the films, as promotional things, and it is handy to have the correct
software to create these, to use the best software, so it is best to use Apple Mac.

Q116. Mr Butt: So did ISD say you could not have them, then? This is why you went to Education, or -?

Mr Roper: No, no... Well, we know that Apple Macs are not available, and we went through Education. It is also a stand-alone system, as well, so it is not part of the Government system: it is not on the Government network.

Q117. Mr Butt: That is my next question: we have had discussion this morning about servers, having servers which are purely for stand-alone items which do not connect with the main Government system. What is your view on that?

Mr Roper: It is a question that you asked me before: to me, there may be some merit in being able to separate them off, but it would be against the cost effectiveness of it, because you would need a lot more servers, you would probably need a bigger data centre or two data centres because they are mirrored, and it would be a question of working out whether it is cost effective or not to do that. Certainly, in some instances, if one system has to be taken down, it would not then maybe affect so many other systems at the same time.

Mr Butt: Thank you.

Q118. The Chairman: Can I ask about the ‘catalogue’ you referred to then. Do you think... what observations do you have to make about that catalogue and the comprehensive nature of it or otherwise?

Mr Roper: The pricing catalogue, the one you are referring to, to me, covers all the basic necessities that you need for straightforward sitting at the desk and working. Yes, when you come to look at some of the specialised things, then you have to approach ISD, as we did with the work permit system. The particular scanners that were available would not work in the way we wanted them to work, so we went to ISD and they went out to their suppliers and they came back and found us another one that does work in the way we wanted it to work and we were able to purchase them.

Q119. The Chairman: We hear, anecdotally, the purchase price in the catalogue can be significantly in excess of what you could buy it from other sources. Is that a fair or unfair comment?

Mr Roper: Yes, that might be true, but what you have to take into account, though, is what you are getting in the background, in terms of the maintenance and backup and everything else that you get.

Yes, we can go along to a smaller computer centre and buy a computer, but will it actually work in the same way, will it do what people need and will it interact with the rest of the Government system?

Q120. Mr Cregeen: You mentioned there about the maintenance you get with it: don’t you pay additionally for any maintenance outside the initial purchase so, as with any product that you buy, you get a warranty with it and maintenance is included? So if your machine breaks down outside the initial year, or whatever it is, do you not pay for the maintenance on a heat call?

Mr Roper: We pay an annual charge for maintenance for computers.

Q121. Mr Cregeen: That is what I mean: you say that the price of it is dearer because you are paying for the maintenance, but then you are saying we are paying maintenance outside that. So you are paying twice for the maintenance, according to what you have just said.

Mr Roper: After the first year or so, in that case, probably yes.

Q122. Mr Cregeen: So you could be saying it is more expensive and the maintenance part of it should not really be in there, because you are having to pay for it later. So we could do with a review, because you are not really paying for... there is no maintenance in it, if you are having to pay in a separate contract.

Mr Roper: Yes, that is true. But once they are out of contract, though, then obviously you are no longer covered so, as you say, you have to pay separately for them. That would just be on an individual
Q123. Mr Cregeen: Because, as the Chairman said, anecdotally, if you had a telephone and fax machine, which you could possibly buy for £70, if you are paying £150 for it and then you have a maintenance contract on top of that... you know, what a lot of people do at home is if it breaks down outside the year, or whatever, it is cheaper to replace it than actually have it maintained.

Mr Roper: I can go with your argument. I would agree. Yes.

Q124. Mr Butt: It sounds like you have got a reasonably good relationship with ISD. (Mr Roper: Yes.) Do you have regular meetings with them? Is anything formally set up to liaise with them?

Mr Roper: Yes, every six to eight weeks we have a formal meeting, whereby we can bring any issues or problems and raise them at that time unless, obviously, something urgent appears in the meantime, when we obviously just get straight on to the correct area; but, yes, we have those every six to eight weeks.

Q125. Mr Butt: Is that instigated by you or is that ISD sending...?

Mr Roper: It was jointly between ourselves and ISD because it was the way that we felt... The one time — going back a couple of years ago — we probably had four or five systems all being done at the same time and it was quite difficult trying to get everybody together. It is a lot better to have these formal meetings, whereby we can just sit with the people and go through everything that we needed to go through and they, in turn, could then inform us as well.

Q126. Mr Butt: At the moment, then, do you have any big workload coming through and any new system in the pipeline that needs to be progressed?

Mr Roper: The only big one we have at the moment is we are looking towards a new system for Companies Registry, which will be a really big system, but that is still in the very early stages.

Q127. Mr Butt: So, at the moment, you just have one weighty thing coming through?

Mr Roper: We have... At the moment we are working on what we call our phase 3 section of work permits, which is online services, which we are just going live with at the moment. The other systems, because we tend to do things in phases, again, partly because you can build it so far and costs and things, we tend to do it in phases, so there are other bits that are sometimes added to the work permit training services ones.

Q128. Mr Butt: So in your Department, then, apart from yourself, I presume there are no IT works folks in your Department?

Mr Roper: There is one other person, who works with me.

Q129. Mr Butt: One other person. So, in terms of numbers, then, you have to go to ISD to get your work done...?

Mr Roper: Yes.

Q130. Mr Butt: Some bigger Departments do have their own workforce to do that. You are not in that position?

Mr Roper: No, no.

Q131. Mr Butt: So what actually is your role, then, in terms of IT?

Mr Roper: As Information Systems Manager, I am obviously there to help DED carry out the IS Strategy, according to our plan. I am also there, whenever we are looking at new projects, to work with the staff and ISD as the centrepoint. I am also the Computer Liaison Officer, Telephone Liaison Officer, Security Liaison Officer, and Data Protection Officer/Data Controller for DED.
Q132. The Chairman: Can I ask is there any formal system for lodging complaints, comments or compliments with ISD?

Mr Roper: There is, either through our regular meetings, or we can make a complaint to the appropriate manager.

Q133. The Chairman: Sorry, who would the appropriate manager be?

Mr Roper: It depends which area it is to do with: if it is to do with infrastructure or it is to do with the online services, because there are different managers for different areas.
If necessary, if that does not work, then obviously directly to Allan Paterson.

Q134. Mr Butt: ISD is now part of your Department in effect.

Mr Roper: It is, yes.

Q135. Mr Butt: Is there any political control of either you or ISD that you are aware of in the Department — any political Member with responsibility? Who do you report to, first?

Mr Roper: I report to the Director of Finance and Development, who is Sheila Lowe.

Q136. Mr Butt: And ISD, do you know who they report to?

Mr Roper: I would presume they will report to the Deputy Chief Executive, Dave Ronan, and obviously through to the Chief Executive, Colin Kniveton.

Q137. The Chairman: And in terms of political oversight of ISD?

Mr Roper: Good question: I do not know. I do not know who the political Member is for that.

Q138. Mr Cregeen: You mentioned earlier that you have got a big project coming up. Have you done your finger-in-the-air costing of it?

Mr Roper: This one no, because it was a question of paying to get a full investigation report done, because it is a really big project.

Q139. Mr Butt: Is that to replace the old green screen thing that is in the Registry?

Mr Roper: Yes. At the moment, they have got a couple of systems which are old, unsupported and so on, and it is imperative that we get a new system there, and also get one that people can start doing things online because, ideally, you want it to be out there with the rest of the big ones that go round the world.

Q140. Mr Cregeen: Like we said, there are other people who are doing this, so surely there must be a package out there somewhere that someone has picked up, with the experience of how these systems work. So would you, in your position, be able to discuss this with international colleagues, to find out what is going on there, where they get it from, or are you solely reliant on consultants to do this for you?

Mr Roper: I tend to be reliant on the consultants to do it, because whatever we get has to work within the Government system, within the Government framework.

Q141. Mr Cregeen: Do you find it difficult if you challenge the ISD system?

Mr Roper: No, not really. If I have any issue at all, I just pick up a phone or e-mail, because I have a good rapport with the staff from ISD.
As I say, when we have needed things that are not part of the standard one, we have come up with a solution.

Q142. Mr Cregeen: Would you say there is the potential of savings if you actually were to look at off-the-shelf products, rather than the bespoke that you are looking at?
Mr Roper: That would have to be investigated. You could probably pick up an off-the-shelf package for cheaper than the bespoke one, but you have then got to look, is it going to work with the rest of the Government system? Is it going to be able to interact? These days we try and share as much data as we can with other Departments, so you have to make sure that what you get is fully interactive through the Government system. Also, if you get an off-the-shelf package, who is going to support it?

Q143. Mr Cregeen: As I say, who supports it now, because you have got the same thing, you could go through... [Inaudible]

Mr Roper: Yes, you have to bear in mind where we are as well, being on an Island: a lot of these packages, the support might not be on locally, it might be across.

Q144. Mr Cregeen: But this is where you could actually get the remote access into it, so it would not matter. That is what a lot of people actually do; they have remote access. Across Government, we have remote access to places (Mr Roper: We do, yes.) — in Ramsey Cottage Hospital, it is all remote access. You can just go across the road and they can access your computer, so it should not be any different anywhere else in the world, should it, if you had remote access? (Interjection by Mr Roper)

When you had your Work Permit Scheme coming forward, what was the time span between the start and completion? So, when you initially thought about it and the completion of the project — when...

Mr Roper: It was actually done within nine months.

Q145. Mr Cregeen: That is from your initial...?

Mr Roper: Yes, from when it was decided that we desperately needed a new system to actually phase I being delivered — and it was delivered on time, that one.

Q146. Mr Cregeen: And what was the cost?

Mr Roper: I could not say off the top of my head. We are talking probably approximately £275,000.

Mr Cregeen: Thank you.

Q147. The Chairman: And was there a budget, initially, for that?

Mr Roper: Yes, there was a budget for it. It was almost the same. We did spend a little bit more because there were one or two... once we got near the end, we realised there were some changes needed and some small tweaks which, obviously, then cost.

Q148. The Chairman: Generally, the budgets are pretty much in, there is no experience of having a budget which is so out of sync, so far out of the cost?

Mr Roper: No, not at all. As I say, because by doing the work up front, by getting that full investigation up front, then you have really got a good idea of what you are going to be getting.

Q149. The Chairman: Before I come back to Mr Cregeen, could I just pick up on a comment you made there about sharing information? In this whole system that you are obviously closely involved with, what data protection tests are applied, by whom and when?

Mr Roper: In terms of data protection, if you are going to talk about specific details, or the work permits —

The Chairman: As a general practice.

Mr Roper: In general practice, we carry out the normal one of having a system that nobody else can get into — only authorised people can get into it, and they have to be authorised by a manager or whatever, before they can actually get access to any of these systems. The people themselves have obviously gone through the normal training for data protection. Every new person who comes into Government has to go through security training awareness and sign a declaration for that.
Q150. The Chairman: The concept of data protection and the practice of it: where is that reflected — not about security but about actually allowing information to be put into a system? Where is that controlled?

Mr Roper: I am not quite following what you are trying to get at.

The Chairman: The response I just heard you make was that there is a lot of information in there that can only be accessed under certain circumstances, with certain training and qualifications —

Mr Roper: And also when it is shared — we share information with Immigration and Tax — they only get to see the information that they need to see. The screens were specifically designed for that, so there is security built within the system.

Q151. The Chairman: In terms of actually inputting that information, before it is accessed by whoever, what consideration about data protection principles is made, to guide that inputting?

Mr Roper: I do not know how I can answer that one... It is done by the same people who have always done the inputting and do the inputting into the system. It is done purely by Work Permits.

Q152. The Chairman: I was not thinking of the process of putting information in. Who decides what information is put into any system? How is that consistent?

Mr Roper: Right. Sorry. That is decided within the investigation side, because we have to look and, in particular with that one, we have to look at what the legislation requires us to actually retain and what information we need and, obviously, we then have to look and make sure that what we do keep is obviously relevant and pertinent to what we keep it for.

Q153. The Chairman: So who would be responsible for testing that?

Mr Roper: That would come back to me as the Data Controller.

Q154. Mr Cregeen: You said earlier that you had regular meetings with ISD. Do you consider it necessary for that meeting to be chaired by a consultant?

Mr Roper: Not necessarily, but it actually works very well for the simple reason that because, when we have several projects on the go, instead of having two or three project managers there, we have one project manager there who actually knows all what is happening within his own team.

Q155. Mr Cregeen: So who pays for that consultant to attend your meeting?

Mr Roper: That, I am lead to believe, is paid by ISD.

Q156. Mr Cregeen: So they have these consultants virtually working full-time and they attend your meeting, but don’t you think it is inappropriate that you have an outside consultant actually chairing a meeting of your Department?

Mr Roper: No, I do not actually find it inappropriate because, as I say, this person has all the knowledge of all the projects that we are working with and can answer questions.

Q157. Mr Cregeen: But to chair it? To be there, that is one thing, but to actually be in charge of chairing a meeting between what you want and ISD... It should either be you, as the Department, chairing because you are the client or the customer... You should be the one there chairing it and saying, ‘You tell me where we are up to’, not the consultant saying, ‘This is where we are up to.’ You should be in charge of your meetings, not —

Mr Roper: If that is your view, then fine.

Q158. Mr Cregeen: You do not think it is inappropriate?
Mr Roper: I do not find it inappropriate. No.

Mr Butt: A good Chair is neutral.

Q159. Mr Cregeen: Yes, not paid for.
Just one more. We heard before that, across Departments, there is a bit of concern that if you complain about ISD, it could come back because you are rocking the boat for the next time you request a service. Do you feel that or do you think you have got a very good relationship with ISD?

Mr Roper: No, I feel I have got a very good relationship with them. We have had issues and I will voice them, but I have never felt that anything has then been done against me at all or any problems incurred at all. I just have a really good relationship with them, which has been worked on over the last four years.

Q160. Mr Cregeen: Do you talk to other Departments about IT projects?

Mr Roper: You do, yes. I speak to my fellow equivalents in other Departments.

Q161. Mr Cregeen: So would you consider that they all get the same service as you or -- ?

Mr Roper: As far as I can see, yes — I cannot see any difference.

Q162. The Chairman: Are you aware of any compliments or complaints, equally, from your colleagues that you have just described, about ISD’s involvement?

Mr Roper: One hears a lot of things, on both sides. It is difficult to say for definite. A lot of it is probably hearsay.

Q163. The Chairman: I come back to... you touched on the ITC Fund earlier. Can you just tell us a little bit about that?

Mr Roper: My knowledge of it is not great; but, as I understand it, there is an amount of money in there, which different Departments pay into and when there are certain projects maybe that are desperate and beyond our own means, we can apply to have monies from them. We put money in. Last year, we put quite a bit of money in ourselves because it was money that was earmarked for the projects.

Q164. The Chairman: So it is a dip-in fund for additional expenditure for IT; is that it, effectively?

Mr Roper: In short, yes, but it is not guaranteed. There is no guarantee at all.

Q165. The Chairman: Who is the gatekeeper of that fund?

Mr Roper: I honestly do not know.

Q166. The Chairman: Okay.
Marilyn? Fine.
Okay, well, thank you very much for your evidence. Is there anything we have not given you the chance to advise us, Mr Roper?

Mr Roper: No, not really, no. As I say, I have a very good rapport with ISD, and I do not have any problems on that side at all.

The Chairman: Thank you.

Mr Roper: Okay. Thank you.

The Chairman: We will now adjourn till just before two o’clock. Thank you all very much for your attendance.

The Committee sat in private at 12.30 p.m. and resumed its public sitting at 2.00 p.m.
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STANDING COMMITTEE OF
TYNWALD ON PUBLIC ACCOUNTS

SUB COMMITTEE ON IT PROJECTS

EPTPACIT050511B

AFTERNOON SESSION: 2.02 p.m. – 3.07 p.m.

Douglas, Thursday, 5th May 2011

The Committee sat in public at 2.02 p.m.
in the Legislative Council Chamber,
Legislative Buildings, Douglas

[MR GILL in the Chair]

Procedural

The Chairman: Fastyr mie, everybody.
I welcome you all to this meeting, which is the continuation of this morning’s sitting of the Sub-Committee of the Public Accounts Committee to hear evidence in public session. For those of you who were not present this morning, I should explain that the PAC was established by Tynwald on 22nd March 1983, and our remit has been amended several times over the years. It is too lengthy to read out today but, in brief, our remit is to examine the expenditure of Government funds and to scrutinise the efficiency and effectiveness of the implementation of Government policy.

This Sub-Committee is examining the procedures for dealing with Government IT systems and we have, therefore, invited officers from a cross-section of Government Departments to give evidence to us, to give us a wide range of experiences to enable us to reach our conclusions.

This morning we heard evidence from the Department of Health and the Department of Economic Development and, this afternoon, we have in attendance officers from the Department of Education and Children. On 12th May, we will hear evidence from the Department of Social Care; and, on 26th May, we will be with the Director of the Information Systems Division.

May I, first, introduce my colleagues on the Sub-Committee: Mr Dudley Butt, MLC and Mr Cregeen MHK, and our Clerk, Mrs Marilyn Cullen.

The Hansard Editor is Mrs Callister, who is assisted by Mr Todd Pilling. Mrs Callister is responsible for recording today’s proceedings. Could I remind everyone to ensure that mobile phones etc are switched off to avoid any interference with the recording. Could I also ask everyone to ensure that only one person is speaking at all times, to enable us to produce a clear recording of what is said.

Could I now call our first witnesses from the Department of Education: Mrs Brooks and Mr Kinrade.

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Q167. The Chairman: Can I commence by asking you both to state your name, current title and a brief description of your responsibilities in the Department.

_Mrs Brooks:_ Sally Brooks, Head of Services for Children at the Department of Education and Children. My responsibilities include safeguarding and overseeing Special Needs, as well.

_Mr Kinrade:_ Graham Kinrade, IT Adviser, Department of Education and Children: responsible for IT systems across the Department.

The Chairman: Thank you very much.

To assist in preparing for today’s evidence session, we sent you a list of questions which we will be putting to you. Is there anything either of you would like to say, before we start on that list of questions?

No in both cases.

EVIDENCE OF MRS S BROOKS AND MR G KINRADE

The Chairman: Maybe I could turn to my colleague, Mr Butt, to just give, for my benefit, as a former member of the Education Department but not a current serving member, a bit of context about your IT situation, with your agreement.

Q168. Mr Butt: Yes, thank you Chairman.

Good afternoon. Could I just ask, first of all, the history of your IT in Education. I believe, initially, you were a stand-alone organisation and you now come under the remit of ISD. Is that correct?

_Mr Kinrade:_ That is correct, yes.

Q169. Mr Butt: When did that happen?

_Mr Kinrade:_ That happened about three years ago, when I took up the job that I currently hold.

Q170. Mr Butt: So, prior to then, how did it work in Education?

_Mr Kinrade:_ We used our own budget from within Education to build and manage and maintain a network infrastructure across the Island, feeding networks into the schools. That came to a point where it required review and renewal and, on looking at what Connect Mann had to offer, that became a fairly obvious step to move into that fold and come onto the infrastructure that had been built up within Government.

Q171. Mr Butt: So prior to that you had your own service?

_Mr Kinrade:_ We had our own service and, to an extent, we still do, so although we operate on the Connect Mann infrastructure, which is managed and maintained by ISD. We do offer our own services on there and we still have some servers within schools, although I think we are going through the process of trying to bring those together.

Q172. Mr Butt: Thank you. Could you explain the difference between how you manage the primary sector and the secondary schools, in terms of the IT you provide?

_Mr Kinrade:_ Yes, primarily we offer a managed service to our primary schools. So our primary schools are a hundred percent Mac in their usage, as opposed to PC computers, and we manage that from a central office, running on the Connect Mann network.

Secondary schools, being larger organisations, tend to have their own servers on site at the moment and have been funded in such a way that they can make their own choices as to which IT solution they choose, so we would have a mix across our secondaries. At the moment some would be Mac, some are PC and some are actually a mix of both.

Q173. Mr Butt: So the secondary schools have their own budget and they decide what they spend on
servers, and what they spend on equipment.

**Mr Kinrade:** Correct.

**Q174. Mr Butt:** And you have an overseeing role on that, do you?

**Mr Kinrade:** We have an advisory role on that, yes.

**Q175. Mr Butt:** The Macs in the primary schools, how do you manage those?

**Mr Kinrade:** We manage that from a small central team. So I have a small team, based at Pulrose, of two engineers plus a project manager, who manages all of our Connect Mann and connectivity issues, as well as the computers, so it is necessary to have two engineers to oversee that system at the moment.

**Q176. Mr Butt:** Just for information, because I think it is quite interesting, how many computers, how many Macs, do you run in the primary school system with the two technicians?

**Mr Kinrade:** Currently we would have about 4,200 devices out there.

**Q177. Mr Butt:** With two technicians.

**Mr Kinrade:** Across our 35 schools, yes, with the two technicians.

**Q178. Mr Butt:** Why do you need so few for those?

**Mr Kinrade:** Because we run the network as simply as we can. We run the devices as simply as we can and we try to keep it clean and straightforward, so that it can be easily managed centrally. We deploy a couple of central technology solutions that enable us to do that, but we try to keep things as clean and simple as we can make them, thereby not layering technology that requires more and more support from us.

**Q179. Mr Butt:** Are they run on your own servers, your original standalone self servers...

**Mr Kinrade:** At the moment, they are managed centrally and they authenticate centrally. They have storage locally, so they each have a server in school where the children's documents are stored, but we are going through conversations with ISD at the moment that I would like to see our progress away from that, more into a cloud-based solution where that storage goes online so that students are able to access their work from home and from school. At the moment, they can only access their work in school because that is where it is stored.

**Mr Butt:** Okay, thank you.

**Q180. Mr Cregeen:** When you said about your servers, would that be going on to the main Government server, or would you hope that would be a standalone server that would be separate?

**Mr Kinrade:** Because they are Macintosh computers, I should point out at this stage that, although we operate on Connect Mann, the infrastructure that has been built and runs very effectively, I have to say, we have our own what they call VRF, or our own space, on there, so we do not connect with the central Government network in any way, shape or form.

That probably suits both parties: the thought of 13,000 children on the Government network could make some people nervous. But because they are Macintosh computers, they do not integrate fully with those systems, so we operate our own servers, that are also Macintosh servers, that offer the management of our services that we require.

**Q181. Mr Cregeen:** So where would the servers be based: would it be within Education?

**Mr Kinrade:** Because those servers, at the moment they are based in DC1, they are based with all the Government servers… we just have our own racks up there and they are hosted within that datacentre.

**Q182. Mr Butt:** The repair and maintenance of those, who does that for you?
Mr Kinrade: We have our own repair and maintenance, so when we joined Connect Mann, part of that joining was to put in place a memorandum of understanding between ourselves and ISD so we each understood who was expected to fulfil what role and that was really a comfort piece from our side and probably from ISD's side, as well. Part of that was that one of my two technicians has access into DC1 as and when required to attend to the servers that we need to attend to.

Q183. Mr Butt: So, is there any problem if it suddenly goes down during the day or the middle of the night: you have no problem with access to get in there to repair?

Mr Kinrade: No problem at all.

Q184. Mr Butt: When you try to start a new system, or bring on something new, onstream, you have to go through the service request form, I think. You have to do that as well, presumably?

Mr Kinrade: Yes, we follow the same methodology.

Q185. Mr Butt: How do you find that system works?

Mr Kinrade: I probably have different views from other Departments. Having come from running something entirely on your own, to then step into someone else’s methodologies is not an easy step to take.

I think the system is warranted and I can see the value in the planning procedures that should be around, bringing systems like this on line. I think sometimes, when you are working to another person’s methodologies, they can seem long winded and if you do not fully understand them and you do not feel part of them, they can be quite a disempowering situation to be in, where suddenly you feel like something is being done to you, rather than you being able to manage something through yourself. But that could be six of one and half a dozen of the other, as to where the fault for that lies.

The main issue, I suppose, I would have around that is, again, it comes down to that lack of full understanding of what the expectations are from the other side. You can place in a request, it can then come back to you to be told that is not the right form of request, it should be this sort request, and it should go over here. So you place it there and those things become frustrating but, really, those are communication issues and those are conversations we have with ISD quite regularly to try and iron these out and clean that communication channel between ourselves and them.

Q186. Mr Butt: And is that working? Is that conversation working?

Mr Kinrade: Yes, I believe so. They are fairly robust conversations sometimes, but that is how I like to operate. They are regular conversations.

We have regular steering board meetings which, again, were set up at the inception of us coming in. I think there was a recognition that we are a very large Department — maybe not in Civil Service numbers, but in students that we support and devices that we support we are a large Department — and we have regular meetings every month where I have an opportunity to escalate issues if I need to escalate them.

Q187. Mr Butt: You seem to indicate that there were some frustrations with the systems —

Mr Kinrade: I think there are always going to be frustrations.

Mr Butt: – and I think the word you used was ‘control’. You said you would lose control over your project because it goes through other people.

Mr Kinrade: I think it is the same issue I would face as trying to offer a service into schools – and, I dare say, schools would say exactly the same back to me – that if we just step into a school and we decide that ‘we are going to centralise all of your services’, they would feel disenfranchised from that service and their ability to run their business, based upon that service. So that is quite a difficult line that we have to tread, as a Department, with the schools we offer services to.

There are benefits in centralising those services, but I think that is a conversation for us with each school about ‘what is it you are doing, what is it you want to achieve, which are the best services to centralise?’ – and which services may, actually, be best left in the control of the school, if they understand it better and require it to deliver their business. I do not always feel I sit in that space, when dealing with
it centrally.

Q188. Mr Butt: It seems as if your lack of control is an issue for you. How does that relate to you as the customer? You are the customer of ISD: how do you feel you are treated as a customer?

Mr Kinrade: I am not saying it is necessarily a lack of control; it is a perceived lack of control. I think it is the –

Mr Butt: So what is the customer experience, then?

Mr Kinrade: The customer experience will vary. In some instances, taking 40 schools from the network we were on in July of the year it was done, whatever that is mathematically, within a six-and-a-half, seven-week period all 40 schools had been moved onto the Connect Mann network, and I think that should not be underestimated, as being a huge challenge to deliver.

There were many people who thought it would not be delivered, and it was. It was delivered on time and the schools opened on the first day, and we all had connectivity, so I think frustration may vary dependent on what it is you are trying to deliver and how successful you feel you have been in delivering that particular project. So if we looked at the move to Connect Mann, I was not frustrated at all. I was astonished, to some extent, that it was done so quickly and cleanly and efficiently.

There are some projects that we try to push through where, yes, levels of frustration can run high.

Q189. Mr Butt: Can you give us examples of those? The pupil database, I think, is an example?

Mr Kinrade: Yes, the pupil database is a protracted project.

Q190. Mr Butt: Can you go through it from the beginning, how it has developed, please?

Mr Kinrade: Yes, one of my first tasks, when I took this job – so that would be November, 2007 – I was asked to look at centralising pupil data systems for the Department. The Department operates a number of management information systems, both across its primary schools and within its secondary schools and there was a wish for the Department to have a central view of that data of students to enable planning and management etc. We approached ISD with a view of where we would like to go with that.

We fell into the methodologies of SIRs and SRI-7s, as you mentioned before. We have now just gone live: well, we are just in the testing phase, in the live phase, but that has taken three years to get to that point and that has been fairly protracted. I could not sit here and say it has been any individual or Department’s fault.

There have been a number of issues along the way, but there have been times through that project where, as a Department, you feel we are not fully in control of where this is going and where we want this to go. Some could look at that from the outside and say, well, some of that communication issue may also sit with us. It is not all just one sided, this fault, and I think more work from our side and possibly from ISD side needs to be put into that communication channel, managing the expectations of where we are going and when we may get there.

Q191. Mr Butt: If you were still in charge of your own destiny, in terms of your computers, say prior to four years ago, how would you have managed that project then? How long would it have taken? We are talking about 2007 to 2011, aren’t we? That is four years.

Mr Kinrade: Yes, three and a bit, I could have my own... [inaudible]

Q192. Mr Butt: If you were still with your own servers and your own systems, what would have happened then?

Mr Kinrade: It would undoubtedly have been delivered considerably quicker, yes. There is no denying that; but we would have done that by not following the methodologies that are followed centrally and I am not necessarily saying that that is the right way to go, either – to just abandon all methodology and say, ‘We’ll have one of those, please’, buy a server, put it in, install it and create connectivity. We could have done that within a matter of weeks, I am sure.

Q193. Mr Butt: Would you follow proper security protocols doing that?
Mr Kinrade: Not as heavily as they are being followed at the moment, and I am not saying that is... I think it is a positive thing that those security protocols are in place. Yes, they add to the timescale, yes, they add to the complexity, but when we are dealing with student data, I think they are required.

Mr Butt: Okay, thanks.

Q194. The Chairman: Can I just ask, on the required security level, there are different levels of security requirements for different types of information.

Mr Kinrade: Absolutely.

Q195. The Chairman: Some of the information that you will be dealing with is very sensitive –

Mr Kinrade: Correct.

The Chairman: Some of it is not, but all of it seems to be... Am I understanding this right? All of it has to meet the strongest security test all the time?

Mr Kinrade: Yes, I can see what you are saying. Again, I should point out that with us being on the slightly different levels of the network, our data does not live in the central Government Realtus system, so those are not the levels of security that we meet. We are actually creating our own different layered security systems, so data in a school would be considerably more accessible than data in our secure data areas in DCI. But, yes, if you take a server and put it into a secure space where it has to be accessed by particular levels to factor authentication on a network, if you then add other systems to that same server, they all have to be accessed to that same level.

Q196. The Chairman: Am I right in asking is there automatically, therefore, a cost in time and money that attends to that?

Mr Kinrade: I do not think that would follow, no. Maybe there are people better qualified to answer that than me. I think once the server is in and is serving systems, to add another service to it is not necessarily a huge cost to do so.

Q197. Mr Butt: Can I just follow on from that? Could I ask Mrs Brooks a question on this? What effect has that had on the actual education system, the way children are dealt with? If you had had it in three years ago, would things have been different from what they are now? You are a former teacher as well, I believe.

Mrs Brooks: Yes, I was part of a group that was on a secondment at the time, looking at data as well, so we fed into what Graham was planning. It would make it a lot easier for us to have information centrally for planning and resourcing, if we did have that information. It would make it a lot easier to get that into a central position. It would be nice if we had had it, but we have to carry on in any case, without it. Hopefully, it will be there very shortly.

There is no point for me... I have got to work in where we are and wishing for it... Yes, it would be nice, if it was there, but it is not. So it does mean that we have to collect information from schools in a more time consuming way, at the moment. So for instance, if we are looking at special needs information, so to collate the Special Needs Register, we have to ask each school in September and then again, six months later, we ask for an update, but it is all done on paper – it is all done electronically via e-mail, but it is not something that we can easily access on a day-to-day basis, to see things as they are now. We cannot access the attendance, for instance, of children centrally at the moment. It is something that we are waiting for that to be part of the whole system.

Q198. Mr Butt: So when this was starting – in November 2007, I think you said –

Mr Kinrade: Yes, could be. I have not got the exact date with me so I would not like to nail –

Mr Butt: What was the reasonable expectation?

Mr Kinrade: I seem to remember having a wish to have it in in six months.
Q199. Mr Butt: And it is still not in, as such?

Mr Kinrade: It is actually in, and there is an end-to-end live test scheduled for next week.

Q200. Mr Butt: Do you think that is reasonable? I know there are lots of reasons to say why it might have been extended, but that does seem longer than I would expect.

Mr Kinrade: As I said at the beginning, it has been a protracted project and I would say there have been issues on both sides. I think some of those are around the legalities of taking that software in and ensuring that we are properly covered and maintained in that software, but I think there are also issues both for myself, from a Department of Education and Children view, and also from ISD's view of taking two large organisations and networks and enabling them to work together. That has posed some issues on both sides, so I would not sit here and say, 'Oh, yes, it is all their fault.' It is not. I think we also have made some errors along the way with this. But, yes, it has been a long time to do it.

Q201. Mr Butt: Another question which may be a bit naïve. It seems from my experience of how you work, that the Apples in primary schools seem to function without any great problems, with very few staff and ISD is very much Microsoft based, isn't it?

Mr Kinrade: They are, fundamentally.

Q202. Mr Butt: I know we are trying to compare chalk and cheese here but is there any merit in, perhaps, ISD relaxing their policy of Microsoft and moving to a

Mr Kinrade: I really do not think I would be qualified to make that statement. I think the services I offer in a primary or a secondary school are considerably different from the services that ISD offer.

I often make the case that, in a primary school, I am protecting a picture of a horse and a child's story of what they did at Tynwald Hill last week. That is not quite the same as what is being protected, if it is my tax records. I would wish to see different levels taken.

So I think I would need a much greater understanding of ISD and the function that they fulfil right across Government, before I could answer that.

Q203. Mr Butt: I asked the question from a naïve point of view, in that one of our remits is to see how we can save money. It does appear that, in terms of number of staff employed by the Apple machines is a lot less than it is to do with Microsoft.

Mr Kinrade: We choose Apple for a number of reasons. One is total cost of ownership: they are incredibly cheap for us to run and maintain, they are incredibly reliable in the format that we run them and, yes, it is true to say we do not deploy an awful lot of Microsoft software on them, because even in the Education pricing, I find it considerably more expensive than most other software that I can get my hands on, that I require for educational delivery.

Q204. Mr Butt: May I just ask one further question. This is slightly separate. You mentioned to us in a previous meeting that you tried to get some terabytes of hard drive?

Mr Kinrade: I think, again, I suppose every Department would sit here and say we are a bit different, wouldn't they?

I will sit here and say we are a bit different, in that, because we brought two networks together, yes, there are new servers that we now operate, that ISD have built and supported and maintained and delivered services for us from, but there are also servers and services that I brought in from the old network, which are wholly our responsibility and we are finding sometimes we have issues around where I want to add something to one of those older servers. As a temporary measure in this particular instance, I required some backup on the back of a server. Before we decide what we do with that, long term, whether we centralise into the new systems, or whether we... And that became difficult. My view of cost for backup for that was a few hundred pounds. ISD's view was different.

Q205. Mr Butt: Can you give us the figures on that?

Mr Kinrade: Well, I believe they have changed now, so I do not think I am going to... The authority on the new costs of disk storage within DCI, but they were tens of thousands, as opposed to the hundreds
Mr Kinrade: The initial project never got to the point of budget, so I do not have a comparative budget to say, 'I could have done (a) for this much; but we have had to do (b) for this much.'

Mr Kinrade: Yes, I think, fundamentally. 'Reasonable' is an interesting word. These are expensive systems to put in and run. But the majority of the cost, although there is consultancy time in there for the support from ISD, the majority of the cost is to the software supplier. These are not cheap systems.

Mr Cregeen: On the consultancy, were you allowed to choose your own consultant or was it chosen for you; and do you have any say in what they are actually doing?

Mr Kinrade: The consultant was supplied for us.

Mr Cregeen: Who was that?

Mr Kinrade: The consultant was supplied for us from ISD. We use them... all of our interactions between DEC and ISD are now handled through Alan Sandford, who I would speak very highly of on all occasions. I have no issues there.

I think projects of this size and of this scale and the fact that that data, as you rightly pointed out earlier, is both valuable and requires different levels of access from different people across various areas of Government. Those projects are very complex and require very careful planning and very careful delivery. Whether we could have delivered that without the services of somebody like Alan Sandford, I would question. So yes, there is a cost there, but I think it is an acceptable cost to ensure those things are delivered correctly.

Mr Cregeen: So, when you are looking to bring a project forward and you go to ISD, do they give you any choice on who your consultant will be?

Mr Kinrade: I am not quite in that position any more because we have that relationship with ISD where I have regular meetings with Allan Paterson and with Peter Clarke, and with anybody else who is... and Alan Sandford is always there as well. I have somebody who understands exactly what the two relations are, so I am never in a position where somebody turns up who I do not know, who is going to project manage.

Mr Cregeen: This is an external consultant, not somebody from within ISD?

Mr Kinrade: Correct.

Mr Cregeen: And he attends all your meetings with...

Mr Kinrade: Correct.

Mr Cregeen: And would you say that is necessary all the time?
Mr Kinrade: He does not attend every meeting blithely. He attends meetings he is required to attend. If I want to go across and talk to Allan about something, I do not expect to find Alan Sandford sat there as well. He attends by invite.

Is it necessary to have somebody involved? For us, yes. Again, it comes back to this joining of two networks. Where I am working under somebody else’s protocols and systems and processes, you require help to find your way through those and to ensure that you interact with them correctly, and that is what those consultants do for us.

Q215. Mr Butt: When you come to repairs of faults in the secondary schools, do you have technicians employed in the secondary schools – not you, but the schools themselves?

Mr Kinrade: Schools will employ technicians of varying numbers, yes.

Q216. Mr Butt: How many have they got, do you know?

Mr Kinrade: It will vary across the secondary schools, and although you would probably say there are between two and maybe four, dependent on the school, in each one they would also have other functions, I think, as well. So they will support AV and projectors and televisions and all sorts of other things, as well as just computers.

Q217. Mr Butt: So if there is a problem, do they do a heat call to ISD, or do they do deal with it themselves?

Mr Kinrade: Again, that will vary. If they have purchased the kit from a catalogue through ISD, then if there is a problem they will raise a heat call through ISD and the support will come back that way. If there is legacy kit that was not purchased in that way, they will support it themselves.

Q218. Mr Cregeen: So when you say that you raise a heat call, will you then be charged for that person to come to fix your machine?

Mr Kinrade: No, that is part of the PISAM agreement, that we pay an annual fee for that level of support.

Q219. Mr Cregeen: So you pay an annual fee for them to maintain it?

Mr Kinrade: I pay an annual fee on the PISAM contract – well, it is not the PISAM contract now, I am not sure. But I pay an annual fee that offers that support across all of the PCs within DEC – within the schools in DEC, sorry.

Q220. Mr Cregeen: So when you look at the catalogue and you see the prices in the catalogue, would you say it is a competitive price or slightly weighted?

Mr Kinrade: I think there is no simple answer to any of these things. When you look at the price of a PC in a catalogue, I am quite sure some of our schools would say, ‘I can buy it cheaper from Misco or whatever.’ Well, yes, you can but you will not get the five-year swap out with it. You won’t get the call out through ‘Heat’. Also, the prices in the catalogue invariably include unboxing, tagging, testing, installation of software, installation of system.

So, again, you are back to comparing apples and pears. You have to look at those prices and look at exactly what that price is including and then I think it is for an establishment to decide, ‘Do I buy the equipment ready to plug in and go – and I have paid more for that – or do I buy it cheap and then employ somebody to do that work for me?’

Q221. Mr Cregeen: That is computers. But if you look outside the computers – and you could go telephone, fax machine, or something like that – other consumables that you are looking at, surely the price wise on that... it is like a disposal cost, really, isn’t it?

Mr Kinrade: Not an easy one for me to comment on because that is not the type of thing I would be buying into schools. What we tend to do is buy into schools high quality pieces of equipment, with support and maintenance on the back of them. What I do not want is equipment that becomes integral to the delivery of a piece of education in a school – that if it breaks, we have not got a support contract that
says it will be repaired.

Q222. Mr Butt: Can I ask about priorities? ISD service the whole of Government - every Department. (Mr Kinrade: Yes.) If you have a project that needs, you think, to be dealt with fairly urgently and you are competing against Health and Treasury and other people, is there any method for you to move up the queue? How do you control that?

Mr Kinrade: I am not sure I can control it and if there is a method for prioritising that, I am unaware of it.

Q223. Mr Butt: You take your chance then.

Mr Kinrade: Yes, I survive reasonably well in the he-who-shouts-loudest methodology.

Q224. Mr Butt: Is that the way it should be done, though?

Mr Kinrade: I am not saying that is the way it should be done, but I have no knowledge or influence across what happens with other projects. I have responsibility to deliver the projects for DEC and I do the best I can to deliver those.

Q225. Mr Butt: If something was very urgent and needed to be done - say the safeguarding monitoring and you needed a new system for child protection now - how would you deal with that with ISD?

Mr Kinrade: I would raise the appropriate paperwork and raise at the steering board that this had become a critical issue and I required instant action on it. To be honest, I would anticipate that that would probably be heard and dealt with. I have never been in a position where I have been told, 'Yes, well, bad luck, you're number 47 in the queue, out you go.' Where we have had issues that needed very rapid responses, I have received rapid response.

Q226. Mr Butt: Can I just ask about small matters: when you need, say, small changes to a web page or you need to bring in a very small program. Do you have to go through ISD to do those things, as well?

Mr Kinrade: On a Government website, yes, you would have to do that. We do not operate any of the schools in that space, for that very reason. Our schools operate websites on our own servers, and they are different websites than Government would want to see on their servers, anyway. These are added to by children and commented on by children. They are used to deliver work and they are very live sites. Typically, our web server would see 300 to 400 changes to the websites per day, with updates from staff and children. That is not an environment we could operate the school sites in.

Q227. Mr Butt: The DEC website - you would have to -

Mr Kinrade: The DEC website, that is exactly how it has to be managed, yes.

Q228. Mr Butt: Can I just raise a small program that Mrs Brooks knows about, the personal education plans for children who are looked after. I know ISD helped in the end to help make that happen, but that was a small simple program, Mrs Brooks, which I believe you have managed to bring in very quickly and cheaply. Could you just go through that very briefly?

Mrs Brooks: It was something I had seen while I was working at Ballakorneen and when I had been to a ‘Looked after children’ conference in London. We had had issues with trying to ensure that personal education plans were completed for children in care and we wanted to up the percentage of those who completed.

I had seen this software, so Graham and I got the company to come over to do a demonstration for us. We then tried to work out how we could get that implemented - I think that was probably about the January, I am not sure, I cannot remember now. It was probably round about January or February 2009 and we had that implemented in September 2009. That was because it could go onto our own servers, I believe, so that would be... My part of it was, we got the people over and looked at it and then looked to see how we could get that implemented.
Q229. Mr Butt: Right, so by using your own servers, you are able to do things quite quickly and get a
program in, which is quite crucial for serving a number of children. It has actually been done quite
quickly by having your own server. So, I am really asking the question about the merits of having a
server, stand alone, for things... [Inaudible]

Mrs Brooks: There have been benefits, as we were able to get that in place quickly. The issue will be
trying to move that to be much more widely accessed.

At the moment that is accessible on Department of Education childrens' sites – and I am sure Graham
will correct me if I get this wrong – and it is accessible on Social Care sites as well. It is not accessible
anywhere else and in order to get that to be more widely accessed, for instance, for children in care to be
able to access that in the care home or those that are being fostered, in the foster home, we would have to
go through an awful lot of security hoops in order to get that.

Again, I can understand why we do have to go through a lot of the security, because my understanding
is that, as an Island, we are wanting to publicise ourselves as a very safe place to work for e-commerce.
So I think there are hoops that need to be gone through to show that we are a very secure place for that, so
I believe – this is my understanding of it – that is why there has to be that security and we cannot just
open up access, particularly for children in care, we cannot open access to data about those children in
care, without having the right protocols in place to have the right checks and balances, to ensure that is
safe. I think that would take a much longer process in order to open that up to St Christopher’s Children’s
Centre and to homes, to people in the wider community, because it is access to data about children in
care.

Q230. Mr Butt: But, at the initial level, things can be done quite quickly and flexibly. With ISD’s
consent, they can be flexibly when they need to be?

Mr Kinrade: I think any IT system is more agile and more simply managed, the smaller it is. As
systems become bigger and bigger... If I had had 27 other systems running on that server that Sally
wanted to install on, it would have been considerably more difficult for us to say, 'That’s fine, we can add
that service.' That is just the nature of IT. That is what the Department of Education and Children will
have to watch, going forward, is that if we centralise everything and make the centre big and complex,
that is going to slow down the agility of schools. There has to be a balance there. That is a balance we
have to be aware of, within our own Department.

Q231. Mr Butt: We have heard from Health this morning that the main hospital system, MedWay, is
on the same server as Axapta, the main Government finance package, and that has caused problems. So I
see the same as Education, then: the smaller they can be and more self-contained, so you can put things in
with them, will be better, from your point of view, than one big, one central point?

Mrs Brooks: I think they have to be checked. Whatever you are going to put onto that server, you
have got to check that there is no conflict. So you are testing it against everything else that is on there as
well. So the smaller system is then more flexible, in that you do not have as many checks to do.

Mr Kinrade: But from a Department of Education and Children standpoint, that is exactly what we
are being delivered centrally. We will have our own servers that we can deliver those services from that
are not part of the main Government system. We have our own separate domain.

Q232. Mr Butt: Is that because, historically, you were on your own? Do you still...?

Mr Kinrade: I think it probably comes back to 13,000 children on the Government services. I do not
think Government and what Government wishes to deliver, and Education and what Education wishes to
deliver, naturally meet in the middle. The infrastructure and the sharing of the infrastructure, absolutely
fine; but the services are fundamentally different and that was a very early conversation that we had with
ISD, that we are fundamentally different in our school space and the flexibility we require is considerably
more than you would want to see on a Government network.

Q233. Mr Butt: But as you said before, every Department could say that, can’t they?

Mr Kinrade: They probably would, yes. (Laughter)

Mr Butt: Thank you.
Q234. The Chairman: Can I just talk a little bit about Connect Mann. You seem, to my impression, almost have the best of both worlds, in that you have the ability to have an immediate programme that you can put on your own server, which is standalone, or you can operate Apple Macs, or you can go into the bigger Connect Mann service, so you almost have a menu of choices -- is that right?

Mr Kinrade: That is probably a fair description, yes, depending on how... If we want to deliver something just to our schools, that is quite easy for us to do. If I want to deliver something on the internet... Sally’s ePEP with a... that is a more difficult... not undoable, but it is a more difficult, step to take.

Q235. The Chairman: So you have got that flexibility that is not enjoyed by other parts of Government.

Mr Kinrade: I certainly have that, yes.

Q236. The Chairman: Yes, you do, and I know you cannot answer for anybody else, but from your experience that flexibility is not a position that other Departments of Government would be able to enjoy?

Mr Kinrade: I am not aware of any other Departments that are quite like us, no.

Q237. The Chairman: So your experience is quite separate to that of others?

Mr Kinrade: I would think so, yes.

The Chairman: Thank you.

Q238. Mr Cregeen: We heard this morning that people could be seen to be not wanting to rock the boat with ISD because they are, at the end of the day, the only people that you can go to. Are you aware of this concern across Departments, that people are afraid to actually say there is anything wrong because the request could be going to the bottom of the pile and things may not work out the way you would like them to?

Mr Kinrade: I have no reason to suspect that that would happen within ISD. I have no evidence that would say to me, 'Oh, yes, that's how I'd be treated if I... I feel I should sit here and speak honestly about what I am being asked.

However, some of the issues that I may or may not feel I have are issues between two personal individuals, and they are best dealt with between two personal individuals. I think it is very easy, as I said before, if you lined the schools up and said, 'Here are some stones, would you like to throw them at Graham?', there are a few that probably would. That does not necessarily make them right or me wrong. I think you need to be very careful; I need to be very careful of the perception that I give. On the whole, we operate one of the best services into schools across the UK. If I go into the UK and people ask me what I have at my disposal -- we are currently centralising management information systems from secondary schools -- in speaking to the authorities in the UK and speaking to the company that deliver that, if I say to them, 'I have got this central service that is being delivered, it is broken across two data centres on virtualised servers with automated backup and I have got 1G fibre that links into it', they laugh at me. They are nowhere near that. We must not lose sight of the fact that what we are delivering here is a very, very high quality, fast network, but on the scale of Government, that we want to deliver it, it is always going to bring challenges. It is never, ever going to be smooth and easy.

In IT, we all think we know best! I am certain I know best for Education -- but I also know, at the back of my mind, that that is probably not actually the case. You are always going to have those trade-offs and just because I may have issues over certain things and I have robust conversations about them, that does not mean that is an issue that cannot be resolved. I think that is normal business methodology. I think that is how we work through things. I think there are some fundamental issues that might be looking at, and I would come back to what I said earlier about communication. That, to me, is the crux of a lot of this, both to ISD and me down to schools. It is about communication.

Q239. Mr Cregeen: Do you consider it could be a ‘knowledge is power’ thing, because, as you have got a reasonably sized IT network with you and some of the other Departments are trying to bring
services forward, you have probably got a bigger stick to bat with than some of the smaller Departments. So could they be feeling they are outgunned when they go to ISD and say, we only want something simple and they go, well, really, in the pecking order we know best.

Mr Kinrade: That may be possible. I am not sure I could comment on how other Departments are perceived or feel they are perceived within ISD.

I feel if I go to ISD with an issue, I am listened to; they may well argue and usually would have a view on some of the things that I want to do, because we are fundamentally different and, sometimes, I do not feel I get the answer I want, but then, life is not like that: you do not always get the answer you want.

That just causes me to go back and try again from a different perspective. That does not necessarily make me right and them wrong, or them right and me wrong, that is just about finding a compromise that enables us to deliver our business and ISD to feel that they have delivered what they need to deliver, as well. I am not sitting here in a fear of saying what I think.

Q240. Mr Cregeen: Do you have any concern that, with your use of Apple somewhere down the line they may say: right, we are drawing this to an end and now you will procure PCs?

Mr Kinrade: I think in olden days there might well have been that fear. I do not believe that is the case now. I think our education is known widely outside of the Isle of Man and the UK and I think we are regarded as doing good work within schools and IT.

I think also there is a recognition that the days of education being about training children to use a PC and Word are long gone. This is a much wider sweep of IT, enabling learning across all areas of the curriculum, so I do not get any indication from ISD that they think they know education better than us and are going to step in and dictate delivery, apart from which we covered all that in the memorandum of understanding when we first joined Connect Mann. That is about knowing very clearly what you want as a Department and laying that on the table.

Q241. Mr Cregeen: Whereas, because you were outside, you were able to come up with that memorandum, that is your ultimate 'have got this and you have said this,' whereas possibly across the rest of Government, they haven't... you know, 'You're logged in with us, so you have not got that memorandum.' Do you think that would be helpful for other Departments to have?

Mr Kinrade: I find it a very helpful tool to have, yes, but us, as a Department, to have very clear views and visions about what we want and where we want to go and to be able to articulate that, so that then ISD have some idea as to what our expectations are for deliveries.

Q242. Mr Cregeen: Or it might be helpful for other Departments to have that agreement with –

Mr Kinrade: Yes, it is a helpful tool for me.

Q243. Mr Butt: Can I just mention, then, you use words like 'robust conversations', 'challenges', 'frustrations', 'communication problems' –

Mr Kinrade: That is –

Mr Butt: I will go further: you used... there are obviously some conflicts on there, without going into specifics. You run a system, which I think is acknowledged, almost worldwide, as being one of the best education systems based on IT... I think so, as well. You are on more than twice the number of machines that ISD run, don't you? So if you could be, say, in charge of ISD, how would you change... (Laughter) I am not saying you should be – but I am saying how would you change... You run a successful network of over 5,000 machines – is that right? How would you change – or maybe 7,000 machines – what ISD do to make it simpler, better, 'faster, cheaper and quicker' I think that is the three words they use?

Mr Kinrade: I am not sure I can answer that. I think what I could say is what do I concentrate on to run my own network. I could not take the methodologies that I currently operate to deliver IT to a primary school and automatically say that is going to work in Government, in Treasury.

Mr Butt: You have said that, yes.
Mr Kinrade: So one thing I am very clear on, from day one of taking this job, is that whatever we do with IT in the future has to not repeat some of the mistakes I think have been made over the last 10 years. I am speaking of DEC now, of our own organisation, where IT has to enable the end user. That is the function of IT, and if it does not enable the end user then we have to question what we are doing and why, and if the end user does not feel in control of that process, whether that end user be an individual, a child or a Department, then there is something fundamentally wrong with the process.

So everything we are doing within DEC is to try and say, yes, some things we need to centralise, but some things we need to leave with that organisation to empower that organisation to operate under their own remit and deliver what they are meant to be delivering. I think if we take too much of the IT back, then you actually disenfranchise people from the process and they feel that they are no longer able to deliver their business.

Q244. Mr Butt: It seems to be that technology takes precedence over the outcomes in some cases.

Would you say, then, from something this morning about the servers being crucial here, it is not where the servers are but the size of the servers and what is on them, like smaller servers with different applications on them, separate from each other so they are more manageable, rather than the big mass server? Would that be part of your ideology? You said at the beginning, 'We keep it simple,' with your Macs.

Mr Kinrade: We do. It is a remarkably straightforward and simple network. Yes, there is benefit. We took the decision, when we put the servers into the primary schools, not to centralise all of the storage into one massive space, which may well have been cheaper for us to do. Actually, as I say that and do the sums very quickly in my head, I am not sure it would have been, but if, for example, that had been, that also brings risks, and we have to look at it and say, 'Well, which solution that we deliver will most empower that school to continue to work, even if we have an issue with the IT? Are we going to put something in where they will all just stop working, or are we going to put something in where they can still stand and feel like they have some autonomy in what they are trying to do?' I think that is even more important in a secondary school, that autonomous feeling that we have some control over our destiny with the use of this technology.

Q245. Mr Butt: So you are treating customers nicely, keeping them happy. Keeping the customer happy.

Mr Kinrade: Yes. I think you need to challenge, and I am not sure all the secondary schools would say we achieve that, but certainly that is a goal that we set out. There is no point in me making everybody feel that we have taken the power away, because then I think IT does not deliver what you want it to deliver.

Q246. The Chairman: We had, I think it is fair to say, a less than happy customer conversation this morning with colleagues from the Health Department. Their experience with ISD is they had — I think we could call them FD27 conversations, where FD27 is taken out as the big stick — that is the end of the conversation; lump it. You might be the customer, but that just involves paying. We do not offer you an explanation, we just say how it is going to be. Is that an experience that is isolated to Doti in your experience?

Mr Kinrade: I could not directly answer that: I could say it is not my experience.

I think we have some issues, for example, over the catalogue and the equipment in the catalogue and its suitability for use in schools, would be an example — so FD27 would say we should be looking at the catalogue and purchasing from there. Some of that equipment is not as we want it to be, but if I have that conversation within this instance, I have had that conversation in ISD... that is fine, tell us what you want, then, and we will put it on the catalogue!

I have never come across the sort of, you will do it this way or you walk. What they say is, 'Okay, if that way does not fit, tell us how that way does fit and then we can, maybe, tailor that', so it is back to, as I say, communication.

It is always about communication. I have to be very clear about what I want, so I have to gather that from the schools and then take that forward to say, this is where we need to be. I do not know, but maybe if I went in with something completely off the wall, maybe I would get a different attitude, but--

Q247. Mr Butt: If you went in and said I want my own servers, saying I want a server for my own particular reason, FD27 would be using... FD27 says you cannot, except in exceptional circumstances.
Mr Kinrade: It does say that.

All I can say is, at this moment in time I am not coming across that problem, but some of that is because we operate the Apple platform and there are no servers that ISD will supply that will do what I want to do there and I have put some things in, that I think, initially, they have not necessarily agreed with but, through conversation, we have come to an arrangement — and that is all I would ask. I certainly would not expect ISD to play the yes-man role and just say 'Yes, do whatever you want, boys' because, then, what is the point?

Somebody needs to be that sort of gatekeeper, but certainly if I was in a Department where I felt I could not influence that, then, yes, I might have some greater concerns.

Q248. The Chairman: I think part of the frustration, from certainly your Health colleagues, was that there was no meaningful or up-front explanation of what an exceptional circumstance is. 'It just is, lump it,' was the way I heard their description.

Mr Kinrade: Right, okay.

Q249. The Chairman: Is that an experience that you have —

Mr Kinrade: Not an experience I have had, no.

Q250. The Chairman: Is it an experience that you are aware other people might have had?

Mr Kinrade: I could not recall an instance that has been shared with me, no.

Q251. The Chairman: Thank you.

Is that the same with you, Mrs Brooks?

Mrs Brooks: I feel like I am here under false pretences, I cannot answer any of this. I have not come across anything like that. I am not really working in the IT field.

Q252. Mr Cregeen: It probably comes back to your memorandum of understanding that you have got with them, so you do not really need to be coming up against this because you have got... If they take their ball away, you have still got a ball.

That is part of the difference between Education and Children and a lot of other Departments, in that you have still got a ball and it does not matter what they do, you can still run with it.

Mr Kinrade: Broadly speaking, yes. I understand what you are saying, but I would have to say, I have never come across a situation where I think they are threatening to take their ball away, to use your parlance there. That is not the relationship we have with ISD. Yes, some of the conversations are robust: that is partly down to me! I am fairly robust in the way that I tackle things, which — (Mrs Brooks: Yes!) (Laughter) Thanks for that, Sally — that was the opportunity to come in and say, 'No, you’re not!' (Mrs Brooks: Sorry!)

But that is about having a clear vision of where you want to go and a belief in where you want to go, and going to achieve that. Sometimes, yes, they will knock me back and things become robust at that point. That is fine. That is acceptable. I do not have an issue with that, provided we get to an end product with it.

I would have an issue if we just did that forever and never ever got a solution. Then I would begin to have a problem. Sometimes, of course, I want the solution yesterday, so there is bound to be levels of frustration there. But I think if I realistically look at what we are trying to deliver, there are always going to be those levels of frustration and those robust moments, when you are trying to drive your point home.

Q253. Mr Butt: Talking about vision for the future, can I ask you do you have any idea what the vision of ISD is for the future? Would it involve you eventually losing your servers and coming off the Macs, and becoming part of the main structure? Has that conversation ever been had with you?

Mr Kinrade: No.

Q254. Mr Butt: So you think you will maintain your integrity in terms of maintaining your Macs and your Microsoft system in the secondary schools?
Mr Kinrade: Absolutely.

Q255. Mr Butt: And have the servers... will they stay as they are? You say you still have some...

Mr Kinrade: I do not think the servers will necessarily stay as they are, but I think that will be a decision for DEC. That is our decision as to how we want to take... So my strategy for the next three years would see those services that are being delivered on those boxes moved, but that is my view, that is the Department's vision as to where we want to take IT for Education.

Q256. Mr Butt: And do you know what the ISD's vision is? Is there any indication of that for people like you in Departments?

Mr Kinrade: I could not quote it right now, no. That does not mean it is not out there. That means I am unaware of it.

Mr Butt: Okay, thanks.

Q257. Mr Cregeen: Just one thing. You were saying you have these robust conversations with them.

Mr Kinrade: I am regretting that now, aren't I?

Mr Cregeen: You have this dialogue when you are having difficulties and there is the communication part of it coming across, where... who knows what. If you came to a point where you are dealing with your colleague in ISD and you feel as if you are banging your head against a wall, where would you go to next? Who would you say was the political lead in ISD?

Mr Kinrade: I have never reached that point. If I feel I am reaching levels of frustration where I am not getting forward in something, I have never had an issue with picking the phone up directly to Allan Paterson and saying I need to have a chat. He has always found time for me to go and do that and we have always come to a resolution, so I have never had to take it beyond that point, but I think, in fairness, there has been a lot of time on both sides invested over the last three years in creating a relationship where I can do that.

As I say, it is very easy to throw stones into organisations that are trying to run such large systems, but from me there is a level of understanding of the difficulties that ISD face. Sometimes, the frustrations, I feel, are down to the fact that they just have not got the manpower to throw at the thing I want them to do. That is just the way it is. We all face that within Government.

Q258. Mr Cregeen: So who repairs your systems? If there is a problem with it, do you go to ISD or do you have your own people? If it is with your Apples, do you phone, do a heat call, and then —

Mr Kinrade: The Apples are supported by my two technicians.

Q259. Mr Cregeen: Outside, the PCs, is that —

Mr Kinrade: PCs bought from the catalogue are a heat call.

Q260. Mr Cregeen: And how do you find that? Is that a satisfactory response?

Mr Kinrade: We operate our own helpdesk, as well, for Education, for schools to come into. It was something I put in three years ago when I took this post. I just have a belief in what a helpdesk should be. You should be able to e-mail the helpdesk. It should e-mail you back and say, 'Thanks — Here is your ticket number and here is a note of your problem,' and then every single person who makes any comment against the job that you have raised, you should be able to see all of that comment down, and every time it is updated you should get an e-mail to say Fred Bloggs, the technician, has said he has looked at it and he has got a problem with this and it is going to be two days before it is fixed. You know then, and that is about empowering people. So I find Heat quite a cumbersome system, personally, to deal with in comparison to what we do now.

Q261. Mr Cregeen: So it does not do that?
Mr Kinrade: No. Communication, I would put that under. That comes back to communication. There are times when we feel we do not know what is going on with a particular call that is in. The schools would say, ‘We don’t know what is happening. We raised a heat call and we don’t know where it is, who’s got it or where it is up to.’ But that is just communication. That is an easily fixed thing, but would make a big difference, I think, if it was fixed.

Q262. Mr Cregeen: Would you say that the heat system is actually outdated because people have moved on from Heat years ago and –

Mr Kinrade: Maybe I do not know enough technically about it.

Q263. Mr Cregeen: When something breaks down, you remember how well people deal with it when it has broken down. So if you react quickly, yes, that is great, but if you do not know where you are in the system, like you said, it is very frustrating. Who do you contact? You contact which person?

Mr Kinrade: Lack of communication and lack of management of expectations causes frustration.

Q264. Mr Cregeen: So you have been in this position now for over three years. How do you feel? You must have commented on this to ISD, and yet we are still in the situation where there is frustration and there is nothing come about. So when does that become an issue for you to say, ‘Look, we’ve had three years of not knowing where heat calls are, not knowing what you are going to do. Are you doing anything about it?’ Have you had that conversation with them?

Mr Kinrade: I... I think ISD are aware of my views of Heat, and I understand it is being looked at.

Q265. Mr Cregeen: How long? From what time period? Are you being told it is getting looked at this month? Is it next year? Is it in five years’ time?

Mr Kinrade: I think ISD are aware of the issues with Heat and are wishing to resolve those issues, but I could not speak knowledgeably about where they are up to in that or when to expect a solution for that.

Q266. Mr Cregeen: So doesn’t this come back to the communications? They are not actively communicating to you. You have told them there has been a problem for three years. ‘Yes, we are looking at it, but we are still in a situation where they are telling you...

Mr Kinrade: Communication is king in everything you do, isn’t it?

Mr Cregeen: Thank you.

Mr Butt: I think we have got the point on that.

Mr Cregeen: Yes.

Q266. The Chairman: Could I just ask, do you think, from your perspective, that the ISD move from Treasury to the Economic Development Department will make any difference?

Mr Kinrade: That is a very good question. I... Sorry, I am giving that some thought, aren’t I?

Q267. Mr Butt: Has it made any difference to you?

Mr Kinrade: It has not made a difference to me right now. I am trying to foresee if it will in the future. I can understand that there is probably sense in separation from Treasury but, no, I do not think it will fundamentally change the way we operate.

The Chairman: Thank you. Could I talk briefly about data protection?

Mr Kinrade: Certainly.

Q268. The Chairman: Obviously, a lot of the issues that you deal with are very sensitive and have
data protection considerations. Who and when are those considerations first applied when you are developing or choosing a particular system?

Mr Kinrade: Not sure I fully understand.

The Chairman: Let us take the example I think we had earlier about the –

Mrs Brooks: Electronic Personal Education Plans.

Q269. The Chairman: Yes, thank you. That is what you want to achieve. That is what you want it to look like. Who is responsible for making the consideration of the data protection issues that may or may not have to be considered?

Mr Kinrade: In my eyes, that would be taken through John Gill initially in our Department, who is Legal and Administrative Officer, and then, if required, we would escalate that to Data Protection.

Q270. The Chairman: So if required, how would that requirement be tested?

Mr Kinrade: I think it comes down to... In this particular instance, Sally would be the knowledge around the children that are in there, the information that is held and who requires access to that. We would require a system that enabled that granular level of access to be given appropriately to each person. We would then have to test that with John. Whether John chose to take that higher to Data Protection would be John’s call, but I would take those questions to John Gill on data protection.

Q271. Mr Butt: Can I just come in there? When that was brought in – because I was in Education and I am in Education – I think data protection was at the top of the list all the time because we are dealing with children with a very sensitive lifestyle, sensitive areas... Everything had to be geared round the data protection. Is that right, Mrs Brooks?

Mrs Brooks: Absolutely, and it still is. That is still key to it.

Mr Kinrade: Which is why... and I know Sally would like us to move this on, but we started with that system, accessible from a very small number of places, and then we will grow it slowly as requirement dictates and we test each step as we go. Rather than throwing it open to the world and thinking, ‘Oh, my word, we need to close this down a bit,’ we start from that very tight space.

Q272. The Chairman: I do not think I have any more questions. Could I, before I make my concluding comments, ask if there is anything we have not given you the opportunity to comment upon?

Mrs Brooks: No.

Mr Kinrade: I was going to say about communication, but I think I have made my point.

The Chairman: I think you mentioned it. (Laughter)

Q273. Mr Butt: Once or twice! I am taking it now your communication is good with ISD and you are finding improvement over what it used to be some time ago. Is that –

Mr Kinrade: I think our communication with ISD is a thousand times better than it was three years ago, yes.

Q274. Mr Butt: So you have moved forward with them.

Mr Kinrade: Always move forward.

Mr Cregeen: Apart from on Heat.

Mr Kinrade: Always moving forward.
The Chairman: Okay, well, thank you very much. We will obviously consider your comments in Hansard. If we do have any further questions, we could come back to you, probably in writing, if we may.

Could I just conclude by, certainly from my own view, thanking you for all the extremely high standard of work that is across the schools and colleges in the Isle of Man, at not only a technical level but, I know, in a very accessible level for the pupils. I think it is a fair comment on my part to make that observation and perhaps you will be good enough to convey that to your colleagues in the Department.

Mr Kinrade: Certainly.

The Chairman: Thank you very much.

That does conclude today and the next sitting is on 12th May in this Chamber at 10.30 a.m. when we will have your colleague from the Department of Social Care with us. Thank you again.

Mr Kinrade: Thank you.

The Committee adjourned at 3.07 p.m.
The Chairman (Mr Gill): Moghrey mie, everybody. I welcome you all to this meeting, which is a sitting of the Sub-Committee of the Public Accounts Committee, to hear evidence in public session.

The Public Accounts Committee was established by Tynwald on 22nd March 1983 and our remit has been amended several times over the years. It is too lengthy to read out today but, in brief, our remit is to examine the expenditure of Government funds and to scrutinise the efficiency and effectiveness of the implementation of Government policy.

The Sub-Committee is examining the procedures for dealing with Government IT systems, and we have, therefore, invited officers from a cross-section of Government Departments to give evidence to us. This is to give us a wide range of experiences to enable us to reach our conclusions. Last week, we heard evidence from the Department of Health, the Department of Economic Development and the Department of Education and Children. Today, we will hear evidence from the Department of Social Care, and our next session, on 26th May, will be with the Director of ISD.

May I first introduce my colleagues on the Committee: Mr Dudley Butt MLC; Mr Graham Cregeen MHK; our Clerk, Mrs Marilyn Cullen; and the Hansard editor, Deborah Pilkington, who is responsible for recording today’s proceedings. Could I remind everyone to ensure that mobile phones etc are switched off to avoid any interference with the recording. Could I also ask everyone to ensure that only one person is speaking at all times to enable us to produce a clear recording of what is said.

So, if I can now turn to our first witness from the Department of Social Care, Miss Kelly.

EVIDENCE OF MISS J KELLY

Q275. The Chairman: Miss Kelly, could I commence by asking you to state your name, current title...
Miss Kelly: My name is Jeanette Kelly. I am the corporate services manager for the Department of Social Care, with responsibility for ICT and corporate services.

Q276. The Chairman: Thank you. To assist you in preparing for today’s evidence session, we sent you a list of questions which we will be putting to you. First of all, is there anything you would like to say before we start, by way of a statement.

Miss Kelly: No.

Q277. The Chairman: Okay, thank you. If I can begin with the first few questions. The ISD rules, are they clear in your experience and consistently applied?

Miss Kelly: We have had issues with the rules being consistently applied throughout ISD. There are specific issues with the ISD helpdesk, where rules have not been clear to us in the Department and different staff members in ISD have given us different advice and that is a consistent, general message.

Q278. The Chairman: Is that consistency, would you describe that as being helpfully applied or?

Miss Kelly: Unhelpfully applied.

The Chairman: Sorry?

Miss Kelly: Unhelpfully applied, because it is inconsistent – consistently inconsistent! (Laughter)

Mr Cregeen: At least they are consistent! (Laughter)

The Chairman: I have lost the thread of this already! Is there any more you would like to add to those comments, by way of padding them out a bit?

Miss Kelly: No.

Q279. The Chairman: I am sure we will come back to your comments in due course. What input does your Department have into ISD’s prioritisation of departmental applications?

Miss Kelly: Can I just say, which I have not made clear, sorry, about this, but prior to being in the Department of Social Care, I was in the DHSS Social Services Division, so quite a lot of my comments will be related back to the DHSS, because the DSC has only been in existence for a year. In the DSC... the DHSS, I beg your pardon, we created a business change meeting with ISD, where all our service requests and other projects were prioritised. This continues in the DSC. We know that, in recent months, as the Service Transformation Group now considers all funding requests across Government, we are not specifically involved in that group. So, yes, we do have an input into prioritisation.

Q280. The Chairman: Just for clarity, I think, maybe, Miss Kelly, I should say that you and I have been colleagues when I was in Social Services (Miss Kelly: Indeed.) prior to 2001, so it is going back a good while, but you were my boss for a memorable period, I remember.

Miss Kelly: I remember that, too. (Laughter)

The Chairman: Okay, well, thank you again. We will come back to that.

Graham?

Q281. Mr Cregeen: Would you feel it helpful if you did have some input to the Service Transformation Group?

Miss Kelly: I think it would be helpful, yes.
Q282. Mr Cregeen: Have you been given a reason why you are not allowed any input?

Miss Kelly: I do not know that it is that we are not allowed; but, certainly, I have not had any specific personal dealings myself, nor been invited to do so.

Q283. Mr Cregeen: So are you aware what the Transformation Group is doing for DSC, or...?

Miss Kelly: Personally, no — although my Chief Executive may know more.

Q284. Mr Cregeen: Is your Department consulted prior to ISD appointing consultants and what the Department costs will be?

Miss Kelly: Yes, our Department has to authorise the service request and investigation report, as part of the SRF process. At that point, we will be informed if consultants are to be used, and we see the cost.

Q285. Mr Cregeen: Do you have input into who the consultants are, or is it just appointed and...?

Miss Kelly: We have not had any input so far, no. We have recently used our own staff to complete some of the consultancy project management work to save cost.

Q286. Mr Cregeen: Does ISD give you an indication of the likely completion date of your projects? If so, are they generally applied?

Miss Kelly: Indicative completion dates are given. They are not always accurate, and that is for several reasons. Projects can take longer than planned; limited resources are sometimes diverted to other projects, which can be assessed by ISD or ourselves as a higher priority; and then we have the unplanned absences of skilled staff, which we have had quite a lot of experience of — I mean ISD staff.

Q287. Mr Cregeen: So that is their own staff, it is not the consultants or bought in?

Miss Kelly: The consultants or their own staff.

Q288. Mr Cregeen: Do they give you any explanation, or does it just happen and they tell you later on?

Miss Kelly: It tends to just happen.

Q289. The Chairman: In terms of the example you cited there, where you were using in-house staff, I think you said, to save costs. What sort of cost saving?

Miss Kelly: It was thousands of pounds. I do not know the exact figure, but it was thousands of pounds that we saved.

Q290. The Chairman: In terms of quality and competence and confidence in the process, did you have any concerns in that regard?

Miss Kelly: In terms of my own staff?

The Chairman: Yes.

Miss Kelly: No, because we trained them to be able to do the work that the consultants would have done for us.

Q291. Mr Butt: In that case, then, did ISD allow you to use your own staff? Did they give you consent to do that?

Miss Kelly: They have helped us to train our staff, so that we are able to complete some of the service request forms and the service investigation reports, which are quite complex and detailed.

Q292. Mr Butt: Would that have been the case a couple of years ago, that they would have let you do
that sort of thing?

_Miss Kelly:_ No, this is a very new thing that we have –

Q293. Mr Butt: So there has been progress, compared to – ?

_Miss Kelly:_ There has been progress, and we have pushed that point ourselves, to save ourselves the cost of consultants.

Q294. Mr Butt: I wonder, Chairman, could I move on to a broader issue? (The Chairman: Okay.) Could you talk about the CCSS Project, explain to us what that was and how it developed? I know it is a big subject, but to give us some idea, because at that time, you were in Health and Social Services, they were all together. You were a prime mover, I think, in those days, in bringing in these programs. Could you give us a brief history of CCSS and how it has panned out?

_Miss Kelly:_ Well, I know you are aware of the CCSS: it was a DHSS project that consisted of a new hospital patient administration system, a new system for Social Services and integration of the GPs, plus an ambulance system. It is, and continues to be, a huge project.

Q295. Mr Butt: How did that proceed, as far as you are concerned, from your Department, as it was then?

_Miss Kelly:_ In terms of?

Mr Butt: How you worked with ISD; were there any delays or problems or was it successful?

_Miss Kelly:_ I think, on the whole, the CCSS project has been very successful. We have had some major issues over resourcing, which I alluded to earlier, basically ensuring that timescales were met, based on the project plan that was set: a lot of those issues were because there were not enough skilled staff from ISD to complete the projects on time.

Q296. Mr Butt: So what was the timescale? How did it compare to what was planned?

_Miss Kelly:_ There was a myriad of projects within CCSS. There were probably 10 to 15 separate projects, so I could not comment on all of those. I can say that the ones that affected Social Services, which are the ones I was specifically involved in, we did have some delays with our go-lives, because there was only one person in ISD who had the necessary knowledge to help us go live.

Mr Butt: So the question...

_Miss Kelly:_ On the technical aspects, not on the project management aspects.

Q297. Mr Butt: Some time ago, I remember, when I was in Social Services, we had perceived problems with social workers recording their files at the scene, shall we say, they go and visit a house with people and meet and make up notes and there were considerable delays in making notes up, which caused some problems within the Department. I think you had some plans to address that. Can you tell us what happened there?

_Miss Kelly:_ Remote working? As part of the CCSS project, one of our main objectives was to enable all our fieldwork staff – whether social workers or health visitors within the rest of the DHSS – to use their computers remotely. So we did purchase a number of laptops for our social workers to use when they are out in the field.

Q298. Mr Butt: And how did that progress?

_Miss Kelly:_ We still have the laptops, but I think it is fair to say that remote working is not very effective at all for our staff.

Q299. Mr Butt: Did you have some alternative plan to deal with that, then?
Miss Kelly: What we have in Social Services is we have lots of offices based all over the Isle of Man. So people are able to go... if you are in Peel, you are able to go to the Peel Day Centre, for instance, to log in if you need to; the same in Ramsey and in the south. But most of the time, our social workers have to come back to the office to record their information electronically.

Q300. Mr Butt: You did mention to us, at our previous meeting, that there were plans to purchase small tablets on which the social workers could write up their notes at the time --

Miss Kelly: Yes, tablets or laptops.

Q301. Mr Butt: -- and then get them transcribed back in central headquarters. Did you get support from ISD about those tablets?

Miss Kelly: We have had support from ISD on laptops and tablet PCs, if that is the way we wanted to go forward. We actually chose to go forward with the laptops. Obviously, we did have to use the spec that ISD wanted us to use. It is difficult for our staff, because to carry around a laptop... they are quite big and our staff also needed quite big machines as well, to be able to see the words on the screen; they did not want some very small machine. But I am not sure if you... Are you alluding to the tablet, the handwriting recognition? (Mr Butt: Yes.) That was a separate thing.

In terms of laptops, yes, we did receive support from ISD and we purchased laptops, and we have used them, with varying degrees of success. In terms of that tablet with the handwriting recognition, we are piloting that now, at the moment. We were not sure how that was going to be received by ISD, because the software needed to be packaged. That has been packaged now and we are piloting that. But nothing ever happens very quickly.

Q302. Mr Butt: No, because my memory of that is it was two years ago or more that those were being proposed. Are they being piloted now, but you are not...?

Miss Kelly: They are being piloted by our staff to see if it is suitable for us.

Q303. Mr Butt: It has taken two years to get that far? Or is that not fair?

Miss Kelly: I do not think that is fair. I think we have had some issues and we have made some changes ourselves. We have tried laptops and they have worked for some staff, but not for others. Handwriting recognition is just another way to assist social workers to complete the task.

Q304. Mr Butt: It is an important role, making sure the social workers’ notes are recorded as soon as possible.

Miss Kelly: Absolutely. They have a policy that they have to follow.

Mr Butt: Thank you.

Q305. The Chairman: Could I just touch on that, as a former social worker? Is there direction from, then, Social Services, or Social Services Division, be it DHSS or Social Care, that all social workers have to adhere to a certain practice?

Miss Kelly: In terms of case recording?

The Chairman: Yes.

Miss Kelly: Yes.

Q306. The Chairman: So there is no opt out or opt in? It is everybody.

Miss Kelly: Everybody must comply to the case recording policy.

Q307. The Chairman: And does everybody? That you might be aware of?
Miss Kelly: I think it is unfair to ask me that question, because I am not a practice manager.

Q308. Mr Butt: Maybe the question should be, would it be easier to do that, to make sure that those protocols are followed, if you had the technical equipment in place to do so?

Miss Kelly: I think so—yes, of course, because the IT systems will record exactly when the information was recorded. Yes.

Q309. Mr Cregeen: Can I just go back to the laptops: you were saying they did not work remotely—(Miss Kelly: Effectively.) effectively. Is that because of the logging on through the RAS system? I know from my own experience, using the RAS system, it tends to lock you out very quickly, and you can be in the middle of something. Is that the sort of problem that they were having?

Miss Kelly: Those are the sorts of problems and the network. There are places in the Isle of Man where the 3G network does not work for some reason, so we were not able to log in. But it is about speed and reliability.

Q310. Mr Cregeen: And how many laptops do you have? Do you have a rough idea how much the cost of the system was?

Miss Kelly: Cost of the system or cost of the laptops?

Mr Cregeen: The cost of providing the laptops and how many there were.

Miss Kelly: I have not got the firm costs, but it was significant. It was around £50,000.

Q311. Mr Cregeen: For how many units?

Miss Kelly: They are about £1,000 each, so there are about 50. I am guessing. We had around about 50 laptops in total.

Q312. Mr Cregeen: Was there any special programming put in on those laptops, as in additional software put on it for the cost of your laptop? A £1,000 laptop is a considerable sum. Was there a special programme? What else did you get for it?

Miss Kelly: The laptop was designed to be exactly the same as the desktop. So whatever we have on our desktops, we wanted on our laptops. (Mr Cregeen: Yes.) So the only addition was the ability to pick up the 3G network.

Q313. Mr Cregeen: If you go back to some of the programmes that you alluded to earlier, have you had unacceptable delays and has that had add-on costs?

Miss Kelly: Unacceptable delays in…?

The Chairman: I think we are referring to question 6 on your…

Miss Kelly: I really need to go back to the answer I have already given you, that there have been some delays, yes, because of technical expertise not being available. I think that the issue that we would have is that ISD do not always communicate promptly the impact and reasons for delays. We do accept they have limited resources, though.

Q314. Mr Cregeen: So you would be expecting something to happen, and people may go sick, but you would not be informed about why they have not turned up, or why the program is not being progressed?

Miss Kelly: That has happened, yes.

Q315. Mr Cregeen: So part of this is communication between yourselves and ISD.

Miss Kelly: Absolutely, yes.
Q316. Mr Cregeen: Which seems a bit strange when IT and communication is supposedly the issue and the dialogue.

If you have a simple request, is it dealt with speedily?

Miss Kelly: I thought that was an interesting question, because I think that depends on what that simple request is.

Something that we think is very straightforward – for example, the hand recognition tablet, that we thought was very straightforward – may take quite some time, because it has to be packaged. It has to be packaged and go through all the systems and processes that they have within ISD and we do not know if that is due to technical reasons, that we had not appreciated, or a shortage of resources.

We do not know, but it is up to us to chase ISD. What would be very helpful, if, when you did, they came back to you with regular reports of where they are up to and, if there is a delay, why there is a delay and how long that delay will be.

Q317. Mr Cregeen: Yes, so similar to when the Heat calls go in, it is just into a pot and you just hope it is going to be picked up somewhere along the line.

Miss Kelly: Well, when a Heat call goes in, they do prioritise in ISD, so we base our assumptions on their prioritisation process; however, that is not always clear.

Q318. Mr Cregeen: If, for instance, you put your Heat call in and you want to try and find out whereabouts the Heat call is, do you find that simple or is it difficult to find out who is dealing with it?

Miss Kelly: I would have to check with the guys on our helpdesk to find out that sort of information. I think what happens is that the call goes into ISD, into Heat, and then does get allocated out to someone there, so you would be able to find out who the allocated officer is, I believe.

Q319. Mr Butt: Talking about the tablets, and in particular the handwriting tablets, it is an off-the-shelf product which you sourced and you thought was a good idea. I think you said the cost was going to be about £16, to us previously, £16 per tablet, and that would just be used for the person, the case workers at the time, to write something up so it can later be plugged in to be transcribed into written reports, presumably back at the office – that is an off-the-shelf product.

How easy is it for you to actually get an off-the-shelf product?

Miss Kelly: We can get off-the-shelf products and we do realise that they have to comply with the rules of ISD.

Like we have already alluded to, things can take longer than we might like, because we need... I know that ISD need to ensure the product is appropriate and can be implemented effectively. I know that this work includes ensuring the product meets the identified business needs and the supplier can continue to support the product. ISD would need reassurances that there are not better or cheaper product providers around, before things are implemented.

Q320. Mr Butt: This particular machine is just purely to put written notes into a typed sheet, isn’t it? So that is not going to interfere with the main network in any way.

Miss Kelly: Well, what actually happens with that is that you write and, as you write, your writing comes up on the screen and the handwriting is recognised and comes up as type, which is excellent for people who have got really poor typing skills.

Yes, you would make that assumption, but for everything like that, we still have to go through all the rigorous checks that ISD have in place, no matter what the project is or the new piece of software that we are asking for. There are no... There does not seem to be a sliding scale on severity or impact.

Q321. Mr Butt: And the impact on not having proper written-up case notes could be quite serious.

Miss Kelly: That is very serious – it is one of our highest risks.

Q322. Mr Butt: Okay, thanks.

You have mentioned about the remote access using the RAS card. Do you find this puts off your staff from using their laptops?
Miss Kelly: Yes.

Q323. Mr Butt: Is that a consequence of that?

Miss Kelly: Yes.

Q324. Mr Butt: Have you raised that with ISD as a problem which needs to be resolved?

Miss Kelly: Yes.

Q325. Mr Butt: Any progress on that?

Miss Kelly: I think it is fair to say, no, there does not seem to be any progress. I am a remote user myself, and it seems to be getting worse rather than better. They will say that they are investigating things, they are looking at making it better, but I have not seen any evidence of that. It is not just our Department that has that issue.

Q326. Mr Butt: True enough — we all have the same. Can I just raise a general issue? Social Care includes Mental Health Services –

Miss Kelly: It does indeed.

Q327. Mr Butt: — who are operating 24 hours a day. How do you find your systems? I think it is RiO that runs the mental health system, is that right?

Miss Kelly: That runs our Adult Services as well.

Q328. Mr Butt: Adult Services as well. Was that part of the CCS project?

Miss Kelly: It was, yes.

Q329. Mr Butt: Yes, RiO. How you find the 24-hour cover that you require for those systems; is it assisted, or not, by ISD?

Miss Kelly: We will say that there are no effective out-of-hours arrangements at all, because ISD operate a 9 - 5 Monday to Friday service. The only arrangement that we have is that we have been told, out of hours, to contact the ISD's chief technology officer, who works on best endeavours to prepare or fix whatever the problem.

Q330. Mr Cregeen: Who would that be?

Miss Kelly: That is Peter Clarke.

Mr Cregeen: He is a busy man, because everybody says Peter Clarke is the only person there.

Miss Kelly: He is the only name and phone number that we have.

Q331. Mr Cregeen: If out of hours – I alluded to this earlier - nothing else apart from Peter Clarke. So if Peter Clarke is in a black spot somewhere with his mobile phone out in Tasmania, whatever, you have got no other access?

Miss Kelly: He is the only name and phone number that we have, yes.

Q332. Mr Butt: Can I ask what happens, if out of hours, what are the consequences for patients or your staff?

Miss Kelly: The impact can be significant. It could be a life or death situation because, obviously, all our records now are held electronically. If we have a person who is admitted, who is mentally ill in the middle of the night, and we do not know their history, it could be very, very serious.
The same with children, because we have another system called Protocol, which we use 24/7 for children. So, if a child is at risk, we do not know all the information on that child.

Q333. Mr Butt: Just to give us some balance, how often has the system gone down out of hours where you have had problems. I presume it is quite rare, is it?

Miss Kelly: It is unfortunately not. In the last year I would say it has gone down over five times at the weekends and a couple of those, at least three occasions, we did not know that it was going to be... it went down for essential maintenance and we did not know about that until it happened.

Q334. Mr Butt: So it is taken down deliberately for maintenance?

Miss Kelly: It is taken down deliberately, when sometimes we have not been informed. Then it is just falling over – which systems do — and then we need to contact Peter Clarke.

Q335. Mr Butt: Do you know which server it is on – in RiO or CCS?

Miss Kelly: I just know it is in the twin data centres. I am not sure which server it is on. I think we are maybe on the same server as MedWay at the Hospital.

Mr Butt: So in view of the fact —

Miss Kelly: But we may not. I —

Q336. Mr Butt: Okay, but in view of the fact is it a 24-hour-a-day need, I presume – I do not want to put words in your mouth – it would be better if it was a stand-alone server which could not be taken down unless it is essential?

Miss Kelly: I think what may be sensible is that the systems that are 24/7 are put together, rather than with some of the other systems. Maybe if they compartmentalise the systems, it would be better. For instance, there is the finance system, Axapta: does that really need to be...? That is only a business hours system, where our systems are not. Maybe they should have a look at what applications are on what servers. I am not sure if they have done that.

Q337. Mr Butt: Just to clarify, then, the system does not go down just because of a random fault –

Miss Kelly: It does!

Mr Butt: — or it may do – but it is also taken down deliberately for maintenance and repair.

Miss Kelly: Yes.

Mr Butt: Okay, thanks.

Q338. The Chairman: Could I just ask, in your observations about the dependence on one route, in this case, through one named individual, if you have any concerns about the reliability of that – not that individual, but that route, that process – what have you done about that?

Miss Kelly: When we were part of the DHSS, like I mentioned earlier, we had business change meetings, and it was raised there and those meetings were escalated to a strategic meeting. In the DSC, we have the same meeting: we have a business change meeting, we have a business relationship manager. We would raise any issues with her, and they would be raised within ISD.

Q339. The Chairman: And who chairs that business change meeting?

Miss Kelly: For the DSC, it was myself and it is now our new ICT manager.

Q340. The Chairman: So that is the mechanism, the vehicle that you can use to pass your Department’s concerns on –
Miss Kelly: That is right, yes — any concerns.

The Chairman: — to ISD. Who is the responsible person at ISD to progress that within ISD?

Miss Kelly: Our business relationship manager is Elaine Litherland, so what happens within ISD would obviously depend on what the matter was.

Q341. The Chairman: Just while we are on that interface between Social Care and other Departments and ISD, is there any political involvement in any of those matters, if they are not resolved? Is there any recourse to a political...?

Miss Kelly: If we required that, we would go through our own political Member. That has not been done within Social Services to date.

Q342. The Chairman: No. And are you aware who the political Member with responsibility for ISD is?

Miss Kelly: No. I did not know there was one.

Q343. Mr Cregeen: You are saying it has gone down, possibly five times in the last year —

Miss Kelly: I think I am being generous with that. I think it is probably more.

Q344. Mr Cregeen: So, it has gone down more than five times in the last year and you said your main contact is Peter Clarke.

Miss Kelly: That is our only contact.

Q345. Mr Cregeen: Your only contact is Peter Clarke. Have you had to contact him when it has gone down and how has that been dealt with?

Miss Kelly: Yes, we have had to contact him on several occasions and, to be fair, he has always answered his mobile phone, wherever he has been — I have no idea where he has been — and he has always done his best and somebody has always fixed the problem.

There was one issue that ISD were unable to fix, because it was a software supplier issue and that is another issue, that our software suppliers are only Monday to Friday, 9 to 5 operation, as well, because of the contract that we have with them. So there was nothing that could be done on that occasion: we just had to fall back to our business continuity plans.

Q346. Mr Cregeen: So when we look at the repairing of the faults, do you find that is satisfactory or could be better?

Miss Kelly: Out of hours or generally?

Mr Cregeen: Generally.

Miss Kelly: I think that faults are repaired. I think that, yes, they could do better. They could do better in how quickly things are done and they could do better in letting us know that things have been done.

Q347. Mr Cregeen: Would it be more helpful if they advised you if the systems were going to be shut down for maintenance, and what sort of timespan would you need before they shut the system down?

Miss Kelly: To be fair, normally they do. We do get an e-mail to say the system will be down, but on those occasions — and it has been the weekends — we have not been informed.

Q348. Mr Cregeen: So at the weekends: you will have expressed your concerns to ISD, about them being shut down over the weekends. Have they come back with an explanation or tried to work round, saying they will do it at different times, or...?

Miss Kelly: They have said that they will make sure we are informed in future, yes.
Q349. Mr Cregeen: But they have not said that they will avoid weekends?

Miss Kelly: No.

Mr Cregeen: And –

Miss Kelly: The problem for us is that even if it is the middle of the night, if it is four o'clock in the morning, which might be great for the rest of the people, at four o'clock in the morning we could still have an emergency. So for us, really there is no time that is a good time.

Q350. Mr Cregeen: Probably more reason why you should have the dialogue, so that when they are going to do things, you can get a system ready –

Miss Kelly: We do have dialogues, but on those occasions that I have mentioned, it obviously failed.

Q351. Mr Cregeen: Does ISD allow you access to software suppliers for maintenance purposes?

Miss Kelly: Us access ourselves? I do know that all software suppliers need to meet ISD's standards and all software suppliers must go through ISD to get to us. We are not allowed, contractually, to go straight to a software supplier ourselves. Does that answer your question?

Q352. Mr Cregeen: Yes. It is just something about whether you can get access to them.

Mr Butt: I think the point of that is that some software people say they can do remote repairs, getting into your server and repairing it from wherever they are based and do the repairs themselves, rather than you having to call out ISD. I think some systems are set up that way. Do you have any systems like that?

Miss Kelly: Yes, I think our software suppliers are able to do that but they have to go through ISD. I am not sure whether someone from ISD needs to let them in, I think they probably do, but I am not technical enough to be able to answer that question.

Q353. Mr Butt: Can I ask a question about your staff in DSC: do you have technical computer-literate people working in the Department?

Miss Kelly: Yes, we have an ICT team.

Q354. Mr Butt: And what is their level of skill?

Miss Kelly: It is quite good. We have got quite skilled people working for us but, of course, we only have so much permission to do things on the network.

Q355. Mr Butt: If you were given your own server to run the out-of-hours systems, would they be able to manage that and maintain that? Are they of that level?

Miss Kelly: I do not think they are at that level, but they could be trained to do that.

Q356. Mr Butt: If you have had any problems with ISD, and you make a complaint about slowness or cost or whatever, how are those complaints dealt with, when you approach them?

Miss Kelly: All our complaints would go through our business relationship manager and before we had the business relationship manager – which we have only had since we are in the DSC – we would have gone through to Peter Clarke, generally. They will come and talk to us about our complaints. I think it depends on who you speak to in ISD, and what day you speak to them.

Q357. Mr Butt: So it is not consistent?

Miss Kelly: There is no consistency.
Q358. Mr Butt: Since you have had these meetings with... Mrs Litherland, you say?

Miss Kelly: Mrs Litherland, yes.

Mr Butt: -- have things improved? What is the relationship like now?

Miss Kelly: I think it is better. I think that it is much more helpful to have one person to go to, because then she will deal with any internal matter within ISD that we do not really need to know about. We just need to know what the outcome is for us.

Q359. Mr Butt: To run your role, to do your job, how would you personally try to improve the relationship with ISD or their working practices?

Miss Kelly: I would like better communication. I would like some performance measurement from them to say how well they are doing for us and I would like some consistency. There is no performance data available to us on our systems or on the performance of ISD.

Q360. The Chairman: Could I ask on a different tack, what positives or advantages do ISD bring to you in your work?

Miss Kelly: The positives? I have, on a general note, always found ISD to be as helpful as they can and individual officers are as helpful and accommodating as they can be. I think it is fantastic for us not to have to worry too much about the real technical aspects because there is somebody else worrying about that.

I think it is helpful that they are dealing with some of the suppliers and we do not have to; on some occasions that it is good, if it is a corporate issue, for instance, telephones, it is quite good that there is one place to go to. That must be more helpful for the supplier because they are not bombarded by lots of different departments.

I think the issues are not the corporate things, but are the individual department things, where it would be more helpful to have a little bit more input ourselves.

Q361. The Chairman: Could I move on from that to ask you if you could tell us about your views about your relationship with ISD from the perspective that you have as a customer?

Miss Kelly: I think that, individually, there are some really good officers in ISD. I could say that as a customer. I think...

Q362. The Chairman: Could I narrow that... maybe the next point I am going to come to is the first test of most customer relationships is: do you think you get value for money?

Miss Kelly: Absolutely not. I do not think we get value for money. I really don't. I think that there has been, over the last ten years, some increases in charging to Departments for PCs and consultancy. I have no real understanding of where the figures come from. There is no real involvement of Departments in making those decisions, they seem to just be 'done' to us. I know that they are really busy and I know there is probably a lack of resources in ISD, but then there is a lack of resources through all Departments.

Q363. The Chairman: So you are a customer, but you have got nowhere else to shop?

Miss Kelly: I was thinking that, yes! Would I go to another shop? But we have not got anywhere else to shop.

Q364. Mr Butt: So, as a customer, then, do you tell them what you want or do they tell you what you can have?

Miss Kelly: They tell us what we can have. We tell them what we would like, and then they will say, 'You can have that shape.'

Q365. Mr Cregeen: Yet it is not the shape that you want?
Miss Kelly: Not always.

Q366. Mr Butt: In terms of your budget, do you have a set budget for your IT?

Miss Kelly: Yes, we do.

Q367. Mr Butt: How do you plan that, in terms of what you ask for from ISD?

Miss Kelly: I beg your pardon? Can you say that again?

Mr Butt: How do you plan that? You have got a set budget, presumably.

Miss Kelly: Yes, we do.

Mr Butt: Do you always know what ISD are going to charge you for things?

Miss Kelly: Like I say, over the last few years charges from ISD to Departments have grown so, yes, we do, we know how much our maintenance charges are today. We would not know if they were going to go up next year; we would just find out that.

So I think that there is difficulty there with planning. Suddenly, you are hit with a... Your Department now has to find an extra £20,000 or £30,000 to pay to ISD. There does not seem to be any communication with us to let us know that is going to happen. But yes, we do plan our... Anything that we need to use ISD for with our ICT budget, we do plan that with ISD.

Q368. Mr Butt: Do you have any major projects in the pipeline at the moment?

Miss Kelly: The major projects have just been completed, the RiO and Protocol. We just have some business query to us that we are still waiting to go live and just small projects, really.

Q369. Mr Butt: If you have something small to do, like changing a webpage or something, how is that sort of thing coped with? Do your staff do that?

Miss Kelly: No, we are not allowed to change... well, it depends on what level of change on the web page. We can do certain changes, but other changes we cannot.

If we want a change on our website, a significant change, we have to go via ISD and they go onto PDMS and that has always been really... that is one area in ISD that are always on the money. They are always really good and they do things straightaway. There is never a problem with that area.

I would also say that, when it comes to anything to do with telecoms, generally anything to do with telecoms is really, really efficiently handled.

Q370. Mr Butt: But I presume you have to pay for that?

Miss Kelly: Oh, yes, we have to pay for it.

Q371. Mr Butt: Could your staff themselves change a webpage? Have they got the ability?

Miss Kelly: Yes, yes — there is a couple of people in my team who have that ability, but they are not able to do those changes.

Q372. Mr Butt: But that would save your Department costs, wouldn't it, if you could do that?

Miss Kelly: Yes, it would. But I do not know if ISD have those rights. Some things have to be done by PDMS.

Mr Butt: Okay, thank you.

Q373. Mr Cregeen: ISD's motto — 'Better, quicker, cheaper' — would you say it is right? Do they tick the box on any of them?

Miss Kelly: I think that would depend on what...
Mr Cregeen: Depending what the service is.

Miss Kelly: I think it would depend on what the service is, yes, that is fair.

Q374. Mr Cregeen: If there is anything that you would like to make a recommendation for us to bring to ISD. Have you got a wish list?

Miss Kelly: Yes, what I mentioned earlier. The ‘better, faster, cheaper,’ maybe I would say: ‘Prove it, show me that you can. Give me the data that we need. Prove that you can work for us to help us meet our objectives.’

Q375. Mr Cregeen: Do you think the lack of competition and lack of anywhere else to go has possibly shaped the service that they have got? ISD are the only people you can go to, and with having no competition in there --

Miss Kelly: As a department?

Mr Cregeen: Yes.

Miss Kelly: Maybe.

Mr Cregeen: If you had somewhere else to shop, it might make it a bit –

Miss Kelly: I do not know, because I think that, over the last 10 years... I feel there is quite a lot of negativity about ISD and I do not want to forget the really positive things that they have done over the last 10 years.

Ten years ago I think that ICT within the Isle of Man Government was in a shambles and I think we are in a much better place than we were then. I think some of the robustness and the rigour that ISD have put in, painful though it may be sometimes, has been necessary, and I think Departments have needed to be reined in. I think that was the right thing to do. I think the twin data centres for business continuity was the right thing to do. Maybe there just needs to be some sort of middle ground.

Q376. Mr Cregeen: And customer focus?

Miss Kelly: Absolutely, yes. I think that is the one thing that they have lost sight of.


Miss Kelly: I have heard of it.

Q378. The Chairman: Are you aware of it being deployed as a reason, as a rationale for ISD decision-making?

Miss Kelly: I have heard of it, but I do not know enough about it to comment.

The Chairman: Okay, thank you.

The Clerk (Mrs Cullen): Marilyn?

The Chairman: Thank very much, Miss Kelly.
Miss Kelly: Thank you.

The Chairman: That concludes today, thank you very much.
Oh, yes, sorry, I need to announce our next session: to reiterate, our next session is 26th May, when Mr Paterson will be giving evidence. At 10.30. Here! (Laughter)

The Committee sat in private at 11.20 a.m.
STANDING COMMITTEE OF
TYNWALD ON PUBLIC ACCOUNTS

SUB COMMITTEE ON IT PROJECTS

EPTPACIT260511

MORNING SESSION: 10.33 a.m. – 12.26 p.m.

Douglas, Thursday, 26th May 2011

The Committee sat in public at 10.33 a.m.
in the Legislative Council Chamber,
Legislative Buildings, Douglas

[MR GILL in the Chair]

Procedural

The Chairman (Mr Gill): Moghrey mie, everybody, and may I welcome you all to this meeting, which is a sitting of the Subcommittee of the Public Accounts Committee to hear evidence in public session.

The Public Accounts Committee was established on 22nd March 1983 and our remit has been amended several times over the years. It is too lengthy to read out today, but in brief our remit is to examine the expenditure of Government funds and to scrutinise the efficiency and effectiveness of the implementation of Government policy.

This Subcommittee is examining the procedures for dealing with Government IT systems, and we have, therefore, invited officers from a cross-section of Government Departments to give evidence to us to give us a wide range of experiences to enable us to reach our conclusions. We have previously heard evidence from the Department of Health, the Department of Economic Development, the Department of Education and Children and the Department of Social Care. Today, we are taking evidence from the Director of the Information Systems Division, Mr Paterson.

May I first introduce my colleagues on the Subcommittee: Mr Dudley Butt MLC, Mr Graham Cregeen MHK and our Clerk, Mrs Marilyn Cullen. The Hansard editor is Mrs Groom, who is responsible for recording today’s proceedings. Could I remind everyone to ensure that mobile phones etc are switched off to avoid any interference with the recording. Could I also ask everyone to ensure that only one person is speaking at all times to enable us to produce a clear recording of what is being said.

EVIDENCE OF MR A PATERSON

Q380. The Chairman: So, if I could turn to Mr Paterson, could I commence by asking you to state
your name, current title and a brief description of your responsibilities, and could you confirm that, to
assist you in preparing for today’s evidence session, we sent you a list of questions which we will be
putting to you.

Mr Paterson: I am Allan Paterson. I am the Director of Information Systems Division, now residing
within the Department of Economic Development, previously within Treasury. I have been here for
almost nine years.

Yes, I received the questions on Friday afternoon.

Q381. The Chairman: Thank you.

Is there anything by way of a statement or introductory comments that you would like to make before
we begin?

Mr Paterson: I am very grateful for the opportunity to present to the Committee and present what I
hope is evidence, perhaps, as opposed to some anecdote or opinion.

In the evidence, we have been challenged on things like strategy, process, value, use of consultants,
etc. I am proud to represent the ISD unit and some of the senior management team behind me. I think we
can address, on an evidence base, those challenges. I think we seek to be open, transparent and measured,
even efficient and effective, and sometimes even provide leadership. I would argue that things like social
media are examples of where we seek to provide leadership. I believe we do present an open
environment. Undoubtedly, like anybody, there are occasional mistakes. We have processes in place to
learn from those mistakes, and those processes are auditable and are audited.

What I would like to do, if you will permit me, is provide some copies of a written submission, which
contains some of the evidence which I will refer to during the session today. I think, if I may, without
being too glib, I put three quotes on the front of this written submission, the third of which is probably as
relevant as any. It comes from a chap called Ian Watmore. Ian Watmore used to be the CIO of the UK
government, left to become the Chief Executive of the FA, did not do a very good job there and is back as
the Chief Operating Officer of the Efficiency and Reform Group within the Cabinet Office in the UK.

Watmore says — and if I quote —

‘IT in government is as difficult as it gets.’

What he also says is very much that this is not about the technology; this is about how you capture the
value of IT in government, and he will argue very strongly and many other people, such as the National
Audit Office, will argue — and I will argue — that it is very much about how the business provides its
contribution to the use of IT: leadership, vision, accountability for benefits, etc.

Very brief final remarks, if I may: business change is difficult and I think we are talking about
business change. Challenging silos is difficult. I think it does need real leadership and commitment. I
would suggest that part of the issues that have been raised in the evidence submitted to you is about
implementation of change and I am quite happy to talk about some of those specifics as we move on.

So, if I may, I will present a case —

The Chairman: Thank you.

Mr Paterson: — for the Members and —

Q382. The Chairman: Could I just clarify, Mr Paterson, that suggests to me that you are au fait...

You have read the evidence that has been produced by the —

Mr Paterson: I have read the evidence. My management team have read the evidence and we have
scrutinised it in detail.

The Chairman: Thank you. Okay.

We will begin with Mr Cregeen.

Q383. Mr Cregeen: Good morning. Could you give a brief account of the actions taken in recent years
to improve the security of the Government IT system and ensure consistency in IT matters throughout the
Government?

Mr Paterson: I think there is a chapter at the end of the document on security. I think the brief
account would suggest that what we have done is follow appropriate practice in protecting data, in protecting against virus, against malware.

It is very interesting that we, I think, take out something like 75% or 80% of incoming e-mail as malware — in fact, I think the numbers are even slightly higher than that — and that used to arrive on the desks in the past. I think we have a robust firewall security mechanism in place etc, but the key to that is that it is reviewed on a regular basis, it is monitored on a regular basis and it is compliant with the International Standard 27001, which we have just had reaccredited to give us our third three years on that standard.

Q384. Mr Cregeen: How many staff do you have in your division?

Mr Paterson: In the division in total? Let me just check the numbers, because I will be very accurate on the numbers.

Our staff numbers are... As at May, at the start of this year, the headcount is now 63. That has gone down from 68 because we have lost four posts to financial services and we have lost a post to procurement shared services and we have lost a post due to voluntary redundancy. It is also the expectation that, in the near future, there will be a paper going to Council which will recommend the transfer of printing services to Isle of Man Post and that will take us down to 59.

Q385. Mr Cregeen: What is the expertise level across your 63 now, as in people who will be dealing with the day-to-day running of the system, bringing new projects in?

Mr Paterson: You have a pie chart in there, in the evidence, on page 5. That pie chart shows 27.5 people involved in production services, involved in user support. It shows that, today, there are people in Government reception, two; printing services, five.

We have a senior management team, most of whom are represented behind me today, of six in total. Interestingly, that senior management team... I noted in previous evidence there was a number of years of service. That senior management team represents 192 years of experience in ICT and public service.

We have three in administration, we have three people in business systems project management — three people. Within the space of e-services and internet, we have 8.5 people managing the changes to the internet, managing the growth of the online services, and you will see further in the evidence, in the written submission, the growth of online services, which has been fairly phenomenal. I have, in total, eight people involved in, shall we say, the centres of excellence around key infrastructure technologies and security.

Q386. Mr Cregeen: When you are looking at your helpdesk, is that staffed with your own people or is that external?

Mr Paterson: The helpdesk is staffed with my own people directly. We have a helpdesk backup arrangement, with Skanco as part of our... [Inaudible] or with Manx Telecom as part of the Connect Mann service, but calls to the helpdesk principally come directly to my own people.

Q387. Mr Cregeen: How does ISD ensure value-for-money, both for the division itself and the changes in the Departments?

Mr Paterson: Measure, measure, measure — to be honest.

It is as broad as it is long. Let us talk about it in the sense of we have KPIs and we measure our performance against KPIs. Let us talk about it in the sense of pound signs, and you will see, from the evidence in here, pound sign reductions of substance in the cost of the telecommunications network over the past 10 to 12 years; pound sign reduction of substance in the cost of provision of a standard PC, a standard laptop, etc — we can talk about the pricing of laptops, if you wish; pound sign reduction in the cost of support for the enterprise licensing that we have across the Microsoft estate; pound sign reduction of substance in the cost of data centre provision.

All these things are critically important. Our budget has fallen. Over the last five years, our budget has fallen, of the order of, I think, 4½%, something like that, compared with where it was — whereas Government's budget has fallen by about 1% in that timescale. So I think we are continuing to be more effective, more efficient, in the pound sign contribution.

In terms of other measures, there are a number of informal measures, such as the accreditations we get, to make sure we are following good practice; such as the awards we get — we picked up two awards in the last couple of months, one for energy savings at the energy awards, and one for thought leadership.
in the use of data storage and cloud technology. That was presented at a global conference with over 10,000 people attending the conference. These kinds of things are part of the ancillary measures that we see as value as evidence. I think we evidence through the number of times we are audited. We have gone through many audits and I am sure you have seen some of those audits as part of the Committee. Those audits, I believe, stand up as adequate or substantial assurance. I do not think there is any negative audit out there. I think there are a number of other areas, where we get informal measurement. I am happy to talk about — if you are frowning — any of the individual audits. I think there are a number of areas where we get other press. We get written up in the press on a number of occasions, in terms of the quality of the service. I think there is a wide variety.

The key thing I would like to highlight, which is in the evidence — although I am not yet prepared to release the formal document, because I have only got a draft document — is the Capgemini benchmarking, which happens from time to time. We have been benchmarked by Capgemini three times in the last six years. To put that into context, Capgemini took over from Ernst & Young when they acquired Ernst & Young on behalf of Europe, providing a measure of European countries — and it is now 27 countries — and their progress against targets that were set by the European Union for the delivery of online systems. Those targets were set in 2001 and reviewed in 2005 and further reviewed in 2010. The Isle of Man, as you will recognise clearly, is not part of that process. We chose to be opted into that and have a private benchmark done against that, against the data which is used for the European benchmark and the results are fairly phenomenal, to be honest.

The results are very clearly that we have a technology base and an approach to technology which is as good as it gets and, in one of the primary charts, we are the second country in Europe, with Malta being the first country. I view this on the basis of this is the competition, particularly in Economic Development.

The slightly disappointing — and not at all unexpected — is that while we are ahead of the game significantly on things like revenue generation and IT for that, we have not made the progress on permits, we have not made the progress on registers and we have not made the progress on another area similar to that. Why have we not made the progress? Because the business is loath to put, or has not got the resource to put, into that, but there are a wide variety of measures that we have in place, both formal and informal.

I think, finally, procurement. We go out there and re-tender, on an appropriate basis, to make sure that we are getting best value for money. We are audited to make sure we are getting value for money. The Value For Money Committee audited our PC, laptop, printer procurement etc, and confirmed, I think, that we were getting appropriate value for money.

So I think there are a wide variety of measures and I think we try and do that on a fairly robust basis.

Q388. Mr Cregeen: When you go back to your benchmarking, who do you benchmark against?

There was one incident that I actually contacted yourself about — and you mention about going down to a laptop — where the Department of Tourism and Leisure was quoted £3,000 for the provision of a laptop, to diagnose bus faults. (Mr Paterson: Yes.) A lot of that was taking it out of the box, checking them or whatever. How do you — ?

Mr Paterson: The tin is benchmarked against the availability of that tin elsewhere. That particular device was not in any shape or form a standard device. It had complexities to do with connections to the bus; it had complexities of a serious nature to do with the Volvo software which had to be provided on that laptop, etc; but the tin — the actual physical hardware — was priced at an appropriate, measurable and benchmarkable price.

We, on a regular basis, check against the benchmark of external channels of supply for PCs and laptops.

Q389. Mr Cregeen: When challenged on that, the eventual price came down to in the region of £500 and that was one of the things that the officers had actually mentioned... the first price is there, you take it or leave it, and it was only when it was challenged that the price actually came down. Do you get many challenges from Departments when you say this is going to be the price?

Mr Paterson: We quite often get challenges from Departments and we can evidence it.

I cannot remember the detail of that particular one; I remember the generic of that particular one. The generic of that said it was a complex load of software and technology around it. I opted to take some of the cost directly into ISD, but we still followed through the cost. The box itself was priced at a commercial price and appropriate value-for-money price. The services that go on top of it are the things that differentiate price and, in the particular situation of the bus, it was a substantial differentiator.
Q390. Mr Cregeen: I think the main theme, when it came through, was there was a consultancy cost, there was a 2e2 cost and all the provision of that. I think, when we are talking across Government Departments, they do have this concern that there is a box and there are all these additional add-ons that come with it.

Mr Paterson: I think that is an anecdotal situation. I am quite happy to look at specific evidence.

You had comment in the previous evidence about DSC and the cost of laptops etc. there. I have looked at the evidence around that. I am quite happy to identify the DSC chose heavy-duty Roadwarrior. I would define them as laptops and they were priced at a commercial price. The DSC require additional equipment, like docking stations, like car-charging devices etc. Those are the things that bring that device up to £800 or £890 odd cost — but the tin that was required by the division in that case was priced at a commercial price. The components that priced that up were really all hardware components.

Q391. Mr Cregeen: If I can move on again, what steps could be taken to reduce the division’s reliance and resultant expenditure on consultants? Do you supply advice and training to Departments’ staff to enable Departments to undertake their own project management?

Mr Paterson: Let me answer the second part of that one first, if I may. Yes, we do, and we have, on a number of occasions, taken staff in from Departments. I would cite General Registry as an example: they have spent considerable time with us to understand the process, the role that we require etc.

I am going to challenge — as you will know I will — the use of the word ‘consultant’. If you look at the table I submitted on request to you, which showed the full year of money spent on third-party services — let me just find it in here, on page 6 in here — we spent in total something like £5.6 million on third-party services. The majority of that was for software. So that would be people like PDMS, Olive, Tribal, APD, Central Software, Griffiths Weite. The majority of that is software, it is line of business software.

I think it is important to stress that, of that money, we are also spending a significant amount of that on-Island with companies directly on-Island who retain the money on-Island or bed nights on-Island. So these are the kind of ancillary comments I would make about it. But I think the only area where you might use the word ‘consultant’ — and I will absolutely use the expression ‘staff substitute’ — is with the use of Intelligence, particularly as a project management resource.

When we talked about the staff capability and excellence and competence, I did suggest to you I have three project managers on headcount in business systems. I have got 8.5 people involved in e-services and the internet. When you look at the number of projects that we are undergoing — and there is no queue, there is no prioritisation applied to that, we seek to do as many products as come to our table — then a variable demand resource is an important part of that. If we were to transfer the role of consultancy or staff substitution, it would be by headcount increase.

Q392. Mr Cregeen: When you said about your consultants, and you mentioned Intelligence, how many staff...? You have got expenditure of £1.428 million on Intelligence. (Mr Paterson: Yes.) How many staff would that be for that...? How many people do Intelligence employ, in your Division?

Mr Paterson: It varies. It varies, depending on requirement. I think we have something like 20-odd people in total. So that would include Unisys people, that might include some of the formerly 2e2 people who are based in the office as staff substitute —

Q393. Mr Cregeen: I mean Intelligence, directly in Intelligence, because you have got £1.4 million here directly employed in Intelligence. How many people do Intelligence employ, in your Division?

Mr Paterson: It varies. It varies, depending on requirement. I think we have something like 20-odd people in total. So that would include Unisys people, that might include some of the formerly 2e2 people who are based in the office as staff substitute —

Q394. Mr Cregeen: Are they permanently based with you in there (Mr Paterson: No.) or do they have their own offices outside and you just call them in?
Mr Paterson: They have their own offices outside. They are charged for 'as required'. They are not on a five-day-a-week.

Q395. Mr Cregeen: Are Departments told how much the costs are going to be prior to them coming in? (Mr Paterson: Yes.)

We did hear from, I think it was your own Department of Economic Development that they had them sat in as a chairman on their ICT projects: are they paying significant rates for somebody to be sat in chairing a meeting regarding Economic Development projects?

Mr Paterson: Let's give you the broad answer to that: they are staff substitutes, therefore they are my representatives. I do not have enough people. On that basis, I am quite happy to rely on them.

There is an absolute process of check and balance around anything they may indicate, which is around cost, but I would actually iterate that people like Jeff Robinson and Jonathan Latimer in the DoE appreciate the contribution which is made, that Ian Longworth in Public Transport has absolutely requested that we maintain the presence of the Intelligence PM in the strategy meetings and reviews we have, etc. They are adding value.

Q396. Mr Cregeen: I mean chairing a meeting regarding projects is a person from an external —

Mr Paterson: They are not chairing meetings regarding projects. They may lead a meeting, but they do not chair it. It has still got a senior responsible officer from the Department, from the division, present. We may lead that, but it has got that ownership from the senior officer in the division.

Mr Cregeen: It is just that we were informed that this person chaired the meeting.

Mr Paterson: I think that is a misinterpretation. They may facilitate it, but it is actually about the Department ownership.

Q397. The Chairman: Before we come on to question 4, Mr Paterson, could I just ask you a question that is almost evident by omission. I have only scanned the document you have kindly given us. Thank you for that.

I do not see anything there, and perhaps you could guide me if I am missing it, but I have not heard and I have not got the sense of any political engagement in ISD's day-to-day work.

Mr Paterson: Important question. When we were sitting in Treasury, Mr Braidwood was our political Member. Now that we are sitting in DED, we were assigned a political Member: Mr Watterson was assigned. He and I met on several occasions. He subsequently chose to resign from that delegated authority. He resigned because of his concern about ISD's ability to actually manage its direction, its strategy versus the overall — shall we say — interference that was coming from the Transforming Government Programme at that time.

So at this point in time I have no delegated Member. I do continue to have a monthly meeting with Mr Watterson. That is an informal meeting, but I have no delegated Member.

Q398. The Chairman: So, in terms of policy development, who would you be guided by?

Mr Paterson: In terms of policy development on an informal basis, then I do work with Mr Watterson and take feedback from him, but I am guided by the Chief Executive and any policy development will be tabled at the DED Department meeting.

Q399. The Chairman: So, in the absence of a delegated politician, it does not sound like you deal directly, then, with the Minister.

Mr Paterson: I spent 45 minutes or so with the Minister about six weeks ago on a particular opportunity that had arisen and I was not recommending, and then more general issues.

I will appear from time to time in front of the Department. I was recently in front of a Department meeting in relation to discussions about the Post Office.

Q400. The Chairman: Okay, thank you. Perhaps we could move to question 4, if we may.

ISD procedures, are they regularly reviewed and adapted to ensure that they are fit for purpose?
Mr Paterson: Yes, and they are audited on that basis – our information and security management audit from the ISO people – and we have recently extended the scope of that. Our production services service delivery ISO 20000 audit – which is due to go through its full triennial re-accreditation in July – those are audited by internal audit probably once or twice a year, so those are all in place and audited.

A broader systems methodology, ICT methodology etc, is reviewed. One of the areas that we will demonstrate the review is in the SRF area, where it became very clear – the Systems Request area – that we had a one size fits all and there were a number of things that required to be smaller, and we now have a fast-track methodology in there, as well.

Q401. Mr Butt: Could I just follow that up on the SRF? I think one of the benefits of the Isle of Man Government and the way we work, in Treasury in particular, they are quite nimble; when things need to be changed, it is quickly done. There is legislation put through, or Orders put through, and we keep ahead of things in a way by being fairly speedy in what we do. There seems to be from the evidence and from the SRF forms and the procedures that have to be gone through, that you could not really say that ISD are nimble. Things do seem to take a long time to –

Mr Paterson: I think ISD are risk averse because we have seen projects fail, because we have seen major projects fail in Government in the past. I think the Oracle roll-out never succeeded, I think things like the SIP – Strategic Information Programme – in DHSS failed.

I think the procedures which are in place are good practice procedures. They are actually a light version of the PRINCE2 methodology. We do not follow the full PRINCE2 methodology because we believe that it is too bureaucratic. I believe those procedures are appropriate for the nature of complex business systems. Interestingly, the Department of Health took the SRF form and expanded it, added more data to it, so our basic SRF form which we use for our projects has been increased by the Department of Health.

Interestingly –

Q402. Mr Butt: We have had evidence from Departments that projects take a lot longer than they thought they were going to take because of the procedures, and therefore the need for a system to come in is delayed and delayed, which is not what the actual customer – the Department – needs.

Mr Paterson: I think there are a number of steps in the methodology.

I would respond with a comment from a member of Noble’s IT staff, who recently came off our PRINCE2 course and e-mailed my Planning and Resources Manager to say: ‘Apologies, what I have said is bureaucratic. I now understand why we need it.’ That was at the tail-end of last year, that comment.

I think the processes that you have in place guarantee, mitigate, that we get as minimal a risk as we can get. The quality gurus will say quality is free if you get it right at the beginning, and that is what we are trying to do.

Q403. The Chairman: Could we move on to question 5, Mr Paterson?

How do you evaluate the relative urgency of all the applications you receive from across Government?

Mr Paterson: Part of the SRF form is to ask whether there is urgency in a particular requirement. Everybody thinks their individual requirement is absolutely critical and that can range from, ‘I want a small PC package to do some counting of wildlife, insects etc’ to ‘I want a new financial system.’

Therefore we try and capture, at the start, whether there is a legislative, statutory, what kind of business objective puts a priority onto it and we will try to respond to it.

I did indicate earlier that we will seek to progress almost all projects in parallel. We do not have a queueing system. In terms of some of the evidence you have received, particularly from Noble’s, I would suggest that there was a major issue recognised by DHSS, as was, some three years ago, where DHSS were faced with a massive amount of projects and recognised, at a departmental level, that it needed to prioritise. So any queueing which impacted at Noble’s projects is actually a queueing, which is a prioritisation within DHSS. We do not put things onto a queue and say we will do it next year. We endeavour, because of the flexible demand-driven resource, to be able to cope with almost everything in parallel.

There has been one bottleneck in some of that process. That has actually been in the, what we call, ‘packaging’ of applications to go onto the desktop. We have had a finite resource around that. That has put a small degree of queueing in. That small degree of queueing was addressed by the fact that we did
say to Departments, if this is a priority we will do it out of hours, but there is a cost associated with that. If it is not a priority, we will do it within hours and there will not be a cost associated with it, but the fundamental of a business requirement coming to us, the priority is as established by the Department or the division and we seek the Departments to prioritise their requirements.

DHSS have done that some time ago. I am not necessarily sure that is as robust as it should continue to be. Therefore people do believe they should get their own one done, but it is a business prioritisation, not an ISD prioritisation.

Q404. The Chairman: Could I just come on to that, then? So, if I am in a Department and I have got three schemes, you say to me, 'Prioritise them, one, two, three.'

Mr Paterson: I ask you to prioritise, as appropriate.

Q405. The Chairman: Okay, so I have done that. That is my first priority, and you get the same from my colleagues. So you have got three priority one schemes, knowing that there are twos and threes to follow, from each of those Departments. There will be a foreseeable scenario where you will not be able to deal with them all even-handedly, equally, because of whatever limitations might prevail. What is your policy to anticipate and deal with that?

Mr Paterson: There has not been a particular scenario where that has occurred in the past, and we are conscious that the workload is getting bigger. In that context, Transforming Government said 12-plus months ago that Transforming Government would become the vehicle for defining priorities, the VRO process etc. It would define... Transforming Government said to us, 'You shouldn’t do anything unless we have prioritised it and said do it.' We kind of followed that for a while and then said, 'Nothing is getting done, we have capacity – we are going to keep on going until somebody says.'

But I am very clearly of a mind that it is Transforming Government, and effectively Chief Secretary’s Office now, which is the place where priorities for business development, contribution to financial goals of the organisation, should be prioritised.

Q406. The Chairman: I want to be clear about that, because I am... I think I have a majority view, I do not understand the whole Transforming Government programme and I am confident I am not alone in that. You are telling us that Transforming Government, whoever 'they', that person or persons, are advising you, that they set the priorities, as and when they choose to do so?

Mr Paterson: Transforming Government, when it was first set up and Mr Gilson was put in charge of it, very, very clearly said that nothing should be started, unless it has got a TG priority –

The Chairman: A TG?

Mr Paterson: Sorry, Government priority. We kind of accepted that, because we had a lot of stuff going on, anyway, but in the absence of those priorities coming out, we have started new stuff.

Transforming Government is now under the authority of Dan Davies, working for the Chief Secretary, and a process is being built up within there to review priorities, but it is still not clear what that is to me and I am trying to work with them and see how we actually get business ownership of priorities, business leadership of priorities. Within the resources available to Government, whether they be pounds, whether they be resources within the divisions and the Departments etc, you cannot do all things, you should not do all things. I am looking for leadership and guidance on that.

Q407. Mr Butt: It is good to hear you say that there are no real priorities. Everything is done as it can be done. There was a perception that there is a priority list for some Departments, but –

Mr Paterson: The priority list is established within the Departments, because if the Department –

Mr Butt: I was going to say, put that to one side. Once they get on to the list, it is the time then taken from being on the list to things starting, to finishing the project – which we have had several examples of – it has been too long and too protracted.

Mr Paterson: I think there is anecdotal evidence in there, and what I have tabled in part in the written summary is specific evidence.

The pupil database was one that was cited by Education. I would say that Education and ourselves
have a very good relationship and it is one which is an open and working-together relationship.

That has changed because, three years ago, it was 'They will never come together.' Three or four years ago, the Director of Education said to me he did not know what school my daughter was at because he did not have that information at a departmental level, without searching. So these are the kinds of things that we have been working with Education to try and move forward the one pupil, one record type world. I think we are moving forward on that.

There were anecdotes from 2008 to 2011.

Q408. Mr Butt: The time it takes to get some projects from start to finish still seems to be excessive.

Mr Paterson: Real delays in... I think Mr Kinrade quite specifically said there were elements on both sides in that. Real delays to that process, in the sense that there was a need to get buy-in from the schools. To get that buy-in from the schools put something like a five-month delay in, while visits were arranged to go and see products, etc within the UK, to go and get schools' feedback from the UK, etc.

There was a real delay, because the product selected by both Education and supported by ISD, from Serco, turned out, after months of negotiation, to be something that Serco walked away from. They did not walk away from the Isle of Man Government in that context. They walked away from the product itself, because they were not going to have a market in building schools in the future, in the UK, etc. They said this is not a market – doing it for the Isle of Man is not worth it.

Mr Butt: Okay, thank you.

Mr Paterson: So there are a number of component delays in there. I think there is a technology delay in there.

The technology delay in there is down to the fact that we all agree – ISD and Education – that we should build this within what we have called the DEC domain, which effectively gives the DEC ownership of, and management of, that environment; but the DEC domain got confused because it was dependent on clarity as to IOM College requirements, which were very substantial. It has been a major issue.

Q409. Mr Butt: Aside from Education, we had examples from Health, as well, about projects that have been delayed longer than they hoped would happen. You say it is anecdotal, but we have had the evidence from the witnesses ourselves.

Mr Paterson: But I have got the written evidence of progress on the CCSS programme in general and of components in that. I have the closure document on key projects. ICNet was cited within the evidence. I think the suggestion was that it would have cost £18,000. ISD confused it. It cost about £16,000 more. Actually, it cost something like £75,000 in software costs.

Mr Butt: We will come back to that in a minute. You carry on.

Q410. The Chairman: Could I come to the final question from me for the moment, Mr Paterson.

The final part of question 6 that we sent to you. Do you have different procedures for simple, off-the-shelf products, as compared with complex bespoke systems?

Mr Paterson: That is where we have a fast-track process. We seek to use the fast-track process to move those off-the-shelf package by that, I would traditionally mean something which can be installed as a PC piece of software. However, what I would again repeat; there is a process called packaging. That process called packaging means we do not install it directly on the local PC; it means we package it, so it can be provided to any PC; it can be provided to the PC that the person chooses to be working at and that process, in particular, I think, was a key element in how Markwell House was up and running on brand new IT infrastructure within a week of the disaster that occurred in that building. We seek to move off-the-shelf stuff, when it is PC, through as quickly as we can.

If it is the application of a complex nature with a number of business system users, then we are still going to want to make sure that package, that off-the-shelf package, can be implemented, has the right amount of user resource, has the clarity of purpose of what the user wants. We have had occasions in the past, where, to paraphrase, 'The salesman told me it would do what I want. I do not know what I want, but the salesman told me.' So we do have a responsibility to make sure there is clarity of business requirement, but we have a fast-track process, which we apply when we can.
The Chairman: So it must be pretty frustrating when you are faced with the evidence, anecdotal, or evidence based, that that is not always the case.

We have been told, as you are aware, of the occasion in Education, where they wanted a particular system and they were frustrated that... they were clear about what they needed, they were not being bamboozled by salesmen, they were very competent officers and yet that simple application did not occur.

Mr Paterson: Which one are we talking about in this context? We are not talking about the pupil database.

The Chairman: Yes.

Mr Paterson: You are talking about the pupil database?

The Chairman: I think so.

Mr Paterson: The pupil database is a complex application which is bringing stuff in from the schools. The devolved management in the past, the devolved ownership etc in the past, has been complex to bring that back in. But let's again put some real statements down. What we are trying to do is avoid situations such as happened around Easter time several years ago when one of the schools lost the GCSE coursework for its pupils because of poor change management on a badly managed server sitting in a staff corridor in school. The strategy has been to avoid those issues.

Mrs Brooks, I think, had a small package. I am not particularly aware of it. I have not explored that one but, in general, the broad issues are putting appropriate processes in to make sure people can deliver a benefit.

Q412. Mr Butt: We had evidence from Health, I think, that they have packages they would like to bring in because they are used throughout the UK — they are the standard for health practices throughout the UK that would fit here, as well — and they still had to go through this long, long process to get them in. One, I know, that is still waiting to be finished is the Somerset Cancer Scheme, which started about two-and-a-half years ago and still —

Mr Paterson: That, interestingly, has Noble's Hospital project management around it, not —

Q413. Mr Butt: But they had to go through all the hoops before (Mr Paterson: Correct.) they could actually get it going. (Mr Paterson: Correct.) It has taken time. This is time which is wasted by their staff and by yours, no doubt.

Mr Paterson: I do not believe it is wasted time. I think it is —

Mr Butt: Taken up.

Mr Paterson: Time is taken up.

I think there is a very strong change management issue. I recognise that people always feel vulnerable about their own rules and their own responsibilities when change is going on — I think that has been evidenced in the Noble’s IT area — but I think there is evidence, and I repeated the comment back from one of the Noble’s IT business project managers that they understood why the process was there and it was not bureaucratic — and that is in writing.

Q414. Mr Butt: Would you accept, though, they have their own staff up there: if they still had their own server and their own staff, they could have brought this in within months?

Mr Paterson: No. No.

Q415. Mr Butt: You would not accept it?

Mr Paterson: I would not accept it.

I would also argue is server failure in Noble's, a number of years ago, because they absolutely failed to follow policy to refresh technology. They had a server failure. That server was on technology which was no longer available. It took something like five days for ISD to provision that environment on
a new technology and that I think was patient administration. They did not have it for five days.

Telephone exchange: SX exchange, which was used to support the fax environment. They still use hard fax within the Hospital. That is out of support. In nine months’ time that has absolutely no support. Right now, I am not aware of any strategy or any funding to replace that and we are seeking to assist in that.

Local area network in the Hospital: they were facing something like a £600,000 unbudgeted cost to replace the technology of a local area network at the Hospital. We actually managed to get that replaced at no cost, within the renewed contract for Connect Mann 2, which actually, in a revenue sense, is lower cost than the previous. But we brought that in.

I think there are a number of issues about a very small finite resource, as was, in the IT department there, the planning there, the capability there. I think that is reflected in part in why there has been a reorganisation of the IT resources within DoH.

Mr Butt: Okay, thank you.

Q416. The Chairman: Just for completeness, then, the evidence we heard that you referred to from Mrs Brooks and, indeed, the other people where it touches on this different opinion about simple issues being applied more simply, perhaps if you would be kind enough to respond in writing.

Mr Paterson: I will do.

The Chairman: Thank you.

Mr Butt: Can I talk about communication with Departments?

Mr Paterson: Yes.

Q417. Mr Butt: The internal communication, question number 7, in effect. We have heard from different Departments different levels of satisfaction and communication. Some find it very good and have regular meetings, and some do not.

What I found quite concerning was one comment that the way to get help from ISD, or involve ISD properly, is to be robust with them. It was almost like he who shouts the loudest gets the most help. Mr Kinrade said words to that effect. So there seems to be variance in the response from Department to Department, depending on personalities almost. Can you give us a comment on that?

Mr Paterson: Graham Kinrade is a very close friend, I think, of ISD, to be honest.

Mr Butt: Yes, he did say that.

Mr Paterson: I think he and I –

Mr Butt: He did say you have to be robust to have a relationship work properly.

Mr Paterson: Yes, but I think that is, in part, because we are both building a mutual respect and a mutual working environment. I would argue that, providing there is a level of communication owned and sponsored from the Department, then we are in a position to actually work closely with the Department. If a Department is not interested, or a division is not interested, in that level of communication, then we cannot break through. We have senior management, account management, technology conversations, programme conversations, project conversations in a variety of structures.

DHSS as was, and the CCSS programme, had a very strong hierarchy of steering committee led by Chief Executive, then Chief Operating Officer, of business change board led by the Director of Information Systems directorate, of programme and project level boards. It depends on the level of commitment we get from the Departments.

Q418. Mr Butt: Is the commitment from your end, then, that you will meet them whenever they need to, (Mr Paterson: Yes.) or do you have regular set meetings that are timetabled?

Mr Paterson: It depends on the Department. With something like Public Transport, I sit down in a committee with a number of the Public Transport managers and Ian Longworth and Nick, the Chief
Executive, roughly every four to six weeks.

With DoI, I sit down with Geoff Robinson and Jonathan Latimer, roughly every six to eight weeks. That is, as much as anything else, dependent on their diary.

With DoE, there is a regular programme – sorry, DEC – there is a regular programme board with Graham Kinrade, an occasional programme board with the Chief Executive. I need to resurrect that with the new Chief Executive – and that goes on through the Departments. People like DHFA, there is very little engagement, but very little requirement. If there is, it is done at a project level, so things like cattle passports in DAFF were done at a project level.

Q419. Mr Butt: We heard from one Department, it may have been Health, that there was no communication at all and they actually set up meetings themselves, because they were being frustrated. What I am saying is –

Mr Paterson: Did that not happen in DSC?

Mr Butt: It might have been DSC.

Mr Paterson: I think that is a reflection of the spin-offs, the break from DSC from DHSS, but there is a regular dialogue with Brett. It is a robust dialogue, because Brett comes in with a lot of IT experience and challenges some of our strategies. Happy to have robust dialogues –

Q420. Mr Butt: Having seen the evidence from the various Departments, would you consider setting up some sort of regular forum or meeting to try to resolve those frustrations? Would you consider maybe setting out some other plans, rather than...? You say six to eight weeks here and there, sometimes a month. It seems pretty... I know it varies from Department to Department, obviously.

Mr Paterson: When I came in here, in 2002, I walked into one existing programme development committee. That programme development committee was chaired by a senior finance person at the time. The objective of that meeting was declared to be to finish on time. 'To finish on time.' I would rather have project meetings or programme meetings when there is something to discuss, rather than have a meeting to review the fact that we have not made a lot of progress since the last meeting, but we are still quite happy with it.

So the timing of those meetings – which are minuted meetings, generally, which are meetings... It is almost across the board. The timing of those meetings depends very much on the individuals within the business community and their hunger and passion for what is going on, and the amount of effort that is going on. We are not going to have meetings for the sake of meetings.

Q421. Mr Butt: I accept that. I just wonder, could you look at the evidence, review it, and then maybe come back to the Departments with a plan, where it is necessary? Where there are frustrations, could you look at that?

Mr Paterson: I will look at it. I continue to look at it. I have, I think, in the written submission, indicated areas where we do have regular meetings.

Mr Butt: Okay, can I move on to another point?

Mr Paterson: Yes, sure.

Q422. Mr Butt: We had some evidence about software suppliers, who can remotely access to repair faults and problems.

We had evidence in one system – I think, again, it was Health – where they were not allowed to have access to do those repairs because they had to be done through ISD instead. Presumably in the contract which they would have with the software supplier, there would be a cost which would be associated with repair and fault finding. Now, can I ask why? Do you allow outside people to come in?

Mr Paterson: Yes. Yes, we do – by a process.

Q423. Mr Butt: Or why do you put hurdles in the way to make that more difficult?
Mr Paterson: We put some hurdles in the way to protect data. I think the thing which... I very seldom have sleepless nights about work, but the sleepless night I might have would be about loss of personal data. So we put hurdles in the way, to protect personal data.

We have seen, in the past, Departments who would casually download a CD of live data and send it across to a supplier in the UK etc, and there is all sorts of risks associated with that. So what we do is put in fair and appropriate... and, again, I will come back to our international accreditation on information security — but, like we say, we will provide three different categories of access: either access which requires ISD to enable it at the time; or access which requires the Department, the user Department, to enable it at the time; or, in some cases, where it is clear that the individuals at the far end are identified, are security cleared etc, that we may give uncontrolled or unmanaged read only access to that software supplier.

Q424. Mr Butt: Why can't they be done for all three categories: read-only access with a proper security clearance and liable to see only the part of the server that they need to look at? Why can't you do that all the way through? Why do you need those three different levels? Why was the security cleared —

Mr Paterson: Because we have difficulty in getting clarity as to the resources, who are going to be using it. Because very few software suppliers will say, 'It is Tom and Dick and we will have them security cleared and they are the only people that we are going to give access to,' and we warrant that.

Q425. Mr Butt: Can that then be covered by security passwords and proper protocols?

Mr Paterson: That is what we use.

Q426. Mr Butt: They would still have to go through IS —

Mr Paterson: But the issues remains. That software supplier is going to have one token and, to use that token, it might be Tom who uses it today, or Dick who uses it tomorrow, or Olaf who uses it the following day, and we want a degree of reassurance and comfort that there is ownership within that.

I think there is another element which has confused this, and that other element is that out-of-hours support from a software supplier costs money and, actually, that has not been budgeted for, that has not been contracted, because that budget is not available.

Q427. Mr Butt: Wouldn't that be in the contract? Say a hospital system which needs an outside supplier to fix faults, surely that would be in the original contract.

Mr Paterson: There are a number of systems in the hospital which are deemed by the hospital to be 24/7 but do not have the budget given to them by DHSS. They are not contracted for 24/7 support. We can provide 24/7 support, the software suppliers can provide 24/7 support, but it costs money. That is not being provided.

Mr Butt: Right, so if they get the 24-hour support they should have in their contract, then that will be as —

Mr Paterson: And they should have the budget to pay for it.

Mr Butt: Yes, okay, right, thanks.

Moving on to... Sorry —

Q428. Mr Cregeen: Just wondering, you were saying about the 24-hour support, and one of the concerns that came up was the reliance on Peter Clarke, that he was the man that everybody phoned up out of hours. He carries his phone with him and tells everyone, 'Phone me.'

Mr Paterson: Yes.

Mr Cregeen: One of the concerns I have is that if Peter Clarke had the accident and he is lying in the hospital and the system goes down, they phone the number and there he is lying on the table. Where is your resilience in dealing with... if anything happens to Peter Clarke?
Mr Paterson: I get slightly angry at that feedback, because it is a best-endeavours feedback we provide on an uncontracted basis, because we do not have the resources and we are not being given budget by the Department to say they want that 24/7, so we provide best endeavours. Peter is not the critical point of failure, because other phone numbers are available. My phone number is on every single e-mail that I send out. If people want to, they can phone me at any time. Peter has other people available under him. There are security people available etc. The fact that Peter chooses to give his phone number, as did Julie Brew, on a best-endeavours basis, is because we are trying to be helpful. If you want me to stop being helpful when there is not budget, then we will do that, but actually we are trying to be helpful. Peter is not a critical single point of failure. If Peter was not available — and the volcanic ash got in the way when he was in Malta a year ago — then we can provide other people. It is just a convenience.

Q429. Mr Cregeen: That was the concern that came over from a number of Departments: they had only been given one name of who to contact. We are not suggesting that that person is taken away and we are much aware it is a dedicated service that somebody says, phone me out of hours, but the information does not seem to be out there to the Department, who else to phone, if not Peter?

Mr Paterson: I am happy to reiterate these things, but I am going to reiterate to the Committee, this is best endeavours, this is not a warranted service from us.

Q430. Mr Cregeen: Do you need to get that information out to the Departments, who —

Mr Paterson: I believe the Departments forget what they have been told. I believe the Departments forget what has been agreed — or the divisions forget what has been agreed at a departmental level. There is no funding for this.

Q431. Mr Butt: Can I just ask about the out-of-hours service. I believe some large organisations have a computer monitoring system which ticks away in the background, monitoring every little thing that moves and they sometimes get early warning that there is something going on somewhere.

Mr Paterson: We knew about Markwell House happening before Markwell House knew.

Q432. Mr Butt: Do you have a computer monitoring system?

Mr Paterson: Manx Telecom have monitoring on our behalf of network incidents and saw network failure on equipment within Markwell House.

Q433. Mr Butt: I am told the system could work, in that as soon as a glitch starts to appear which might lead to something more major later on, a message is sent by e-mail or text to some operative. If they get that early on, they can then go to the system and do the repair to try to see what is going on long before the actual event happens.

Mr Paterson: It is absolutely the strategy of what we are trying to do, what we are doing with constant updates to the infrastructure.

Q434. Mr Butt: Do you have that in place now?

Mr Paterson: We have the monitoring of the network in place now, on a 24-hour basis.

Q435. Mr Butt: Through Telecom or through your own system?

Mr Paterson: Through Manx Telecom, as the provider of the Connect Mann managed service.

Q436. Mr Butt: So if something is going wrong somewhere, who gets notified by the Telecom system?

Mr Paterson: Telecom will notify the help desk at an appropriate time. If Telecom believe it is a significant issue, they will raise it with people like Brian Osborn, Production Services Manager.
Q437. Mr Butt: Does that mean that some person has to decide, or is the machine telling it?

Mr Paterson: No, it means some person has to decide.

Q438. Mr Butt: Can you not do it so that the actual...

Mr Paterson: No.

Mr Butt: Why not?

Mr Paterson: Because I do not think that they necessarily have the impact analysis automatically today which we are trying to build into this. We are moving forward all the time.

Stupid story: my personal experience yesterday. I was trying to provide copies of this thing on our multi-function device printer inside ISD and it ran out of toner, so I thought, 'I'm going to struggle to get this done for tomorrow.' The machine is actually programmed to send an e-mail when it is going low on toner. We are at that level of automatic notification. It failed to, and we need to understand why, but we are putting that level of automatic notification and, where we can, automatic escalation, in process.

Q439. Mr Butt: So this Manx Telecom system of notification relies on a person being there, to monitor what is going on. (Mr Paterson: Yes.) Would the ideal not be, then – I think it does happen in other businesses – that there is an automatic... the computer's actual faults are discovered by the monitoring system in the background, and that immediately, where there is a possible fault, sends a text to you or to Peter Clarke or somebody, to say, 'Look at this system'?

Mr Paterson: We have, within the data centre, measurement monitoring which will send texts out to our own people. So New Year's Eve, round about 10 o'clock at night, one of my guys at a party was getting messages to say there were problems with the server behind the Online Services, and was reacting to it. We do have automated processes. We will continue to evolve them –

Q440. Mr Butt: That did not rely on a Manx Telecom person making a decision?

Mr Paterson: That was a different scenario. That was a data centre which is directly in our own control.

Q441. Mr Butt: So you are working towards having fully automated computer monitoring in the background?

Mr Paterson: Yes, we are. We have some in place today, and we continue to aspire to be more integrated and more alert on that basis.

Mr Butt: Can I move on to financial regulations?

Mr Paterson: Yes.

Q442. Mr Butt: Financial regulation, directive rather, 27.

We have heard several times that Departments have had the desire to have their own server, or run their own server etc, and they are told financial regulation 27 says you cannot do it. It is very black and white on that.

Mr Paterson: FD27 says the standard is to do it within the data centre; there may be exceptions. There is no definition of those exceptions. We will discuss it, we will explore it and we will see what the issue is. But let's again be very robust in this – and I am going to be robust in this: the reason that the data centre strategy is in place is for increased resilience, lower cost and the reflection, in part, that Departments did not refresh their technology on a timely basis. It is to put in management processes, escalation processes. It is to actually provide a high-value service.

I have also got to say that we are ahead of the game on this. UK Cabinet Office strategy – absolutely centralise it, bring it into the centre, converge, consolidate, virtualise etc. They have gone through some pain with that technology.

Q443. Mr Butt: The evidence we have had from some of the Departments is that they like their own
server for particular areas and they ask why can that not happen. They are told, because of financial directive 27.

Is it correct that Axapta is on the same server as Medway? Is that correct?

Mr Paterson: Physically, the hardware for common service level systems is common hardware. Yes, they co-host. Does that cause a problem? It has caused a problem, not a great problem, but it has caused a problem.

We are evolving, we moved to virtualisation.

Q444. Mr Butt: I was going to ask about that. I was reading about that last night. I was told about it the other day, read about it last night, been through the internet. Virtualisation –

Mr Paterson: Oh, you are dangerous now!

Mr Butt: Why can we not have virtual servers within the main servers, so they have their own dedicated area, which they can then work on and do their part with? At the moment that does not happen, does it?

Mr Paterson: We have virtualised service. We are increasingly using virtualised service. People like DEC have their own domain and are able to manage directly their own environment, but it is going to come down, in part, to the business requirement and, let us be honest, a lot of this business requirement has been about joined-up information.

Q445. Mr Butt: So why can virtualisation not be universal, which means that each Department has its own little server, a virtual server within –

Mr Paterson: Some applications do not fit within a virtual environment. No.

Q446. Mr Butt: But it would work? This would answer the questions of people who have come here, saying we would like our own dedicated area which we can work on. For example, the Hospital, when Axapta goes down, they lose Medway for a while and that should not happen, should it? If you virtualise those, that would not happen.

Mr Paterson: I do not believe that has been a substantive incident and I do not believe it is going to be an incident as we move forward, because these systems are being virtualised, but managed by us.

Q447. Mr Butt: So, what is your timescale for the virtualisation, then?

Mr Paterson: Some of it is going on right now. We have virtual systems in place right now.

Q448. Mr Butt: Could you explain to this Committee what virtualisation is, how it would work?

Mr Paterson: Virtualisation provides a virtual allocation of operating system and memory. Traditionally, in the co-hosting world, what you had was one operating system and lots of applications residing under it. Now, in effect, with virtualisation, we create a virtual instance of the operating system and the application running under it. In that context, we are able to maintain, fix, manage the application in its virtual operating system environment, without impacting on another application under its own virtual operating system environment, albeit that it be on the same hardware.

Q449. Mr Butt: Okay, so in the case of Axapta and Medway sharing the same server, does that reassure us that you are going to have them separately – virtually separate, by virtualisation?

Mr Paterson: Absolutely.

Q450. Mr Butt: So if Axapta goes down again, Medway will not be affected?

Mr Paterson: Ninety-nine point nine nine nine.

Q451. Mr Butt: Is it virtualised at the moment?
Mr Paterson: Could I turn round and ask the question?

Mr Butt: Yes, by all means.

Mr Paterson: Not yet, but we are moving towards that? Yes, thank you.

It is the absolute strategy of moving towards that. We will identify for the Committee the timescale, but I believe the incident of Axapta having brought down Medway is very low.

Q452. Mr Butt: Could I just turn, then, to do with the actual regulation, the Value for Money Committee, on 1st March 2011: I have got a quote here from Mr Will Greenhow, the Chief Secretary —

Mr Paterson: From the Chief Secretary’s Office. I believe it was, actually, the previous Chief Secretary.

Mr Butt: It says ‘Response of the Chief Secretary.’ Sorry to be critical here, because you said you have had lots of audits and it has all been okay. On the Public Accounts Committee, which we sit on, obviously we do have access to these.

I think it is Mr Greenhow: he does say ISD has greatly enhanced the services provided across Government. He makes a good point about that. He also says — and it comes back to some of the stuff you mentioned earlier —

‘ISD would assert that the business case does not specify with sufficient clarity what it wants...’

This is the Department, in effect, i.e. that it is not an intelligent client — that is the Department, usually —

(Mr Paterson: Yes.)

...and therefore ISD must drive the project forward. The business’

And then he goes on:

‘I would be the first to acknowledge that ISD has greatly enhanced the services provided across Government. However, it appears that both the policy and FD27 are now due for review. I would suggest the current ICT policy and FD27 need to be reviewed and, if necessary, amended to reflect the current needs of the business.’

So what would you comment on that? It is basically saying that FD27 is a handicap and a hurdle and that the governance processes ISD undertake are ever more complex and time consuming, adding value only to consultants.

Mr Paterson: I am going to respond by saying the detail of that report, I think, does not support that statement.

Mr Butt: That was the view of the Chief Secretary.

Mr Paterson: I understand that, but the detail of that report, which is an evaluation of a number of controls, says — and I think there are nine controls — eight out of nine of those controls are met, i.e. will deliver the organisation’s objectives. One of those controls is not met.

The control which is not met is the lack of Departmental planning, resource planning and prioritisation. That is the auditable evidence. What has then been applied in front of that, and I am quite happy to discuss with the Chief Secretary, and I spent 45 minutes with him yesterday morning discussing how we can get better aligned between ISD and, perhaps, Transforming Government... I am quite happy to discuss that, but what is coming out is opinion. It is opinion which reflects, perhaps, concern and anecdote.

Interestingly, I was at a conference last week, where the keynote speaker — very impressive, no notes at all, 20 minutes — was Francis Maude. Francis Maude is the Cabinet chief operating officer, effectively. He is the Minister responsible for transformation within the Cabinet. He is the Paymaster General.
Francis Maude said the centre has to be ruthless. Francis Maude said the centre has to own the infrastructure absolutely to determine inter-operability, security etc. Francis Maude said the centre has to absolutely own the big projects. What he did say, and I agree with him, and perhaps it comes back to some of the issues you have talked about — the small stuff, get rid of it, let somebody else do it. We need to continue to look at that but, from a viewpoint of a senior officer within Isle of Man Government, my objective continues to be value for money in terms of the efficiency of a data environment, or information processing environment. My objective continues to be enabling joined-up Government so that information can be seen in a joined-up manner: childcare information, education information, justice information, all these things. I think that is why we have a very robust — and I will use the word 'robust' — strategy in place.

Q453. Mr Butt: There is no doubt about your intentions and the ambitions and aims, but it would appear from the response from the Chief Secretary and evidence we have heard, and our own experience, that the processes of ISD are based on security and the technical issues —

Mr Paterson: Processes from ISD are based on risk mitigation for delivery of a successful outcome.

Mr Butt: whereas what people are actually looking for is a positive response, as a customer, to their needs, and it seems to me the needs of the customer have taken second place to —

Mr Paterson: So why do project closure documents say the needs of the project have been met time after time?

Mr Butt: I suppose —

Mr Paterson: [Inaudible] ...that project closure document written by a hospital IT resource.

Mr Butt: Closure, fine; but actually — this is the Chief Secretary’s opinion and other people — it is complex and time consuming. Once it is closed, fine, but it is the time it takes to closure. I think that —

Mr Paterson: I think it was Ian Watmore who said that ‘IT in Government is as difficult as it gets’. It is actually business change in Government is as difficult as it gets.

Mr Butt: Okay. Thank you.

Q454. The Chairman: Could I, as a layperson with no technical appreciation... just two things if I may. Going back to the FD27 and you said exceptions could be made, what percentage of those applications for an exception are actually granted, would you say?

Mr Paterson: Are there applications for it? It is a discussion. There is very seldom —

Mr Butt: Closure, fine; but actually — this is the Chief Secretary’s opinion and other people — it is complex and time consuming. Once it is closed, fine, but it is the time it takes to closure. I think that —

Mr Paterson: I think it was Ian Watmore who said that ‘IT in Government is as difficult as it gets’. It is actually business change in Government is as difficult as it gets.

Mr Butt: Okay. Thank you.

Q454. The Chairman: Could I, as a layperson with no technical appreciation... just two things if I may. Going back to the FD27 and you said exceptions could be made, what percentage of those applications for an exception are actually granted, would you say?

Mr Paterson: Let me give you an example.

Right now we are working with the Post Office — ‘working with’ is an interesting expression — with a view to the Post Office being totally separate: not being on the Government internet, not being on the Government e-mail system, not being on the Government network etc.

We are working with them on that basis because, frankly, we were never going to get them to actually comply with and there is, to some extent, a view that the trading organisations need their own flexibility, responsiveness etc. Interesting that when I was talking to the chief information officer of the UK Post Office, she has got — I cannot remember — 170 staff plus multiple hundreds of outsourced staff and I just wonder about the challenge of... I have a real view that says we are having a technical discussion, but actually the business ownership should determine whether the Post Office is discrete or not.

MEA — we are quite happy — and MEA are quite happily ticking along doing their own thing, on the whole. We work with MEA etc. The Departments, I think, and we have guidance from the Chief Minister, the Departments should be centralised within that environment, within that strategy, as much as it is absolutely possible. When it comes to something like — and I slightly tongue in cheek quoted earlier the piece of software for counting, I think it was cricket, or something like that — then I am not in the least interested. Stick that on a PC, down a Nokia or whatever and let them get on with it. But if that system is about critical data for Government and that data is potentially shared data, based on a person,
asset, a property etc, then let us put it into the centre and manage it in the centre and we are going to get a
joined-up answer.

So the answer to your question – and my apologies – I do not think we have had any substantive
number of people saying we do not want to comply.

The Chairman: Okay, well, maybe again, when you respond, could you perhaps research that and
advise us how many exceptions there have been?

Q455. Mr Butt: Can I just follow on from counting crickets? (Mr Cregeen: County cricket?) County
cricket!

There are obviously different levels of security. The health records, presumably, are secret and private
and have to be secure; but we mentioned some time ago, maybe the timetable for Ramsey Grammar
School’s pupils is not and does not need to be. So there are different levels of security.

If you virtualise the server into different compartments, can you do that with security levels, so you
can actually say, ‘That one you have to go through hoops, but that one...’?

Mr Paterson: There are a number of tiers of security. Some of those are applied within the application
system, and that may actually give role based authority to individual categories of workers.

So in a medical system, perhaps, a community nurse has role based access to the community related
data, whereas perhaps a psychiatric nurse has access to separate data.

Q456. Mr Butt: So if they want to bring out a new programme from somewhere across, a package
that seems to work, and it does not actually... it is on the Government system, but it is not critical in
terms of confidentiality, why can it not just be put on straight away, instead of having to go through all
the SFR process?

Mr Paterson: Because... There are two answers to that, one of which is a security answer. Even
putting a non-critical application in, it may give software support, it may give a door opening to
somebody who could use that route through to the more critical stuff.

Q457. Mr Butt: But it would only take a few hours to work out, if it is a package.

Mr Paterson: No.

Mr Butt: Why not?

Mr Paterson: It does not take a few hours to work out.

Q458. Mr Butt: Why should you not have the package: ‘Here is what to do, here are the security
issues, here is how it would affect the main system, let’s put it in’? It takes six months or more to get the
most basic package into the system, doesn’t it?

Mr Paterson: Sorry, I do not agree with that.

Mr Butt: You do not?

Mr Paterson: No.

Q459. Mr Butt: How long does it take, then?

Mr Paterson: How long is a piece of string? It depends on the piece of string. Individual packages can
go in very quickly, particularly PC-based packages which are not Enterprise or large workgroup
packages.

Q460. Mr Butt: Even if they are on the main network?

Mr Paterson: A PC package will go in on a package basis, and be downloaded to the individual
clients that require it.

The systems that go in on the main network, we need to be reassured that we have reasonably simple
technical assurance processes, but they are gateways, and the gateway mechanism is absolutely
appropriate, that say, 'Let's make sure that is not going to put something else at risk.'

Q461. Mr Butt: Okay, can I then ask the question, is there any way of speeding that up?

Mr Paterson: We have speeded it up. We schedule these things now on a regular basis, rather than somebody coming along and saying, 'We now want to review this project. Let's book an appointment six weeks out, because that is the first availability.'

So these gateway processes are scheduled on a regular basis, are more virtual now, rather than physical. People are reviewing stuff, taking it off and saying go. We continue to try to reduce the bureaucracy, without increasing the risk.

Mr Butt: That is good.

Q462. The Chairman: Could I just ask you there, Mr Paterson, I have got a vision in my mind of Tynwald Hill here, and there are layers — tiers, you described them — of systems. At the top, in the middle, you have got the absolutely confidential, you know, tax returns... medical. Then you might have a layer which, actually, if it got into the public domain it would be bad (Mr Paterson: Yes.) and there is stuff at the bottom of the layer which is, frankly, if you put it into the public domain, you already know it — a timetable for Year 6 at school. On top of all of that it seems the impression I have got — and I would like your response to this — is that everything, all of those tiers are all treated with exactly the same security level all the time: (Mr Paterson: Yes.) they have to be. The reason for that is because the canopy on the top of Tynwald Hill is FD27 and the argument about security...

Now, that is my layperson's understanding of the concern and the comments that I have had and it is only fair to you to respond to that.

Mr Paterson: I believe we provide an appropriate level of security, but we have to make a judgement on that appropriate level of security. There are some things which are broadly open and there are some things which are very restricted. I think we follow - and again, I will come back to our accreditation - what is accepted industry good practice on it and evidence as such.

Yes, it frustrates people.

The Chairman: Yes, to the effect -

Mr Paterson: Apologies for that, but I am trying to protect them.

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Q465. Mr Butt: Could I just have a brief follow up? This is fairly petty, Mr Paterson! After six years I have finally got a phone on which I can receive Government e-mails and a calendar of appointments and I discover that it switches off every ten minutes. I have to put the code in every ten minutes to get it to work. That is what frustration is. I wonder why - this seems like security well beyond what would be necessary. It is a frustrating thing to happen - I have never had it before - probably it is common knowledge and it re-uses the same password, apparently, too. (Laughter) So if this was lost -

Mr Paterson: That is up to the individual to reset.

Mr Butt: I know, but if this was lost, I guarantee most people could go along and get into my area. So it is a frustrating thing.
Mr Paterson: Many people, particularly Members, with due respect, send Government e-mail home
to their home e-mail account, so they can manage it. That is unsecure. In that context, I am going to be
the one that says, when the re-negotiation of the VAT agreement is picked up— if that were— or around
the Reciprocal Health Agreement is picked up— if that were— because it was left on an open device. That
is why we have got that level of security.

The timing of these things, the automatic switch-off etc. is something we can review, but again, I am
going to be reasonable, it has got to have that in. Whether it is ten or thirty, I do not care, frankly, but it
has got to have that in.

Q466. Mr Butt: I am just saying ISD get criticism often, from small things like that, about security
being too tight and too strong.

Mr Paterson: I understand. You will remember that, two or three years ago, there was a substantive
loss of personal data from,

We reviewed over here the processes and the processes were robust and evidenced as robust etc. My
responsibility is to stop you getting into trouble, to some extent, and it is the balance of that.

Q467. Mr Butt: Do you think perhaps, though, you are too risk averse? You say you are risk averse
as the main reason for your, almost, existence... that you are risk averse at the expense of...

Mr Paterson: When I said risk averse, my prime risk averse in that context is making sure the project
gets delivered within the time, within the finances available etc.

As I mentioned earlier, there have been substantive projects in IOMG in the past that I think have
incurred substantive money and failed to be completed. I believe that is in the 10-years-plus past. I
believe the record of project delivery, of usability... I get told by officers that the online system to pay the
rates is complicated, but the reality is — and I have put some numbers into the submission — the take-up of
online services is substantive, it is particularly substantive in the business community, and the amount of
money coming in through that route is substantive etc.

The proof, to some extent, is in the pudding. One of the things that came up in the evidence was
customer perception.

Mr Butt: As by others.

Mr Paterson: I do apologise for the number of pages on customer perception I have put in there —
unsolicited generally, but they are more than just a passing-comment feedback. We have got some really
robust feedback in there. I keep using that word — apologies for that.

Q468. Mr Cregeen: If we can move on to question 10, how do you decide what is included in the
catalogue and what is the procedure if a Department is of the view that a product that is not included in
the catalogue would be more appropriate for their needs?

Mr Paterson: The catalogue has been slightly confused over the last two or three years, and I say that
in the context that the prime element of the catalogue has been about the desktop equipment. It has been
about the PC, the laptop, it has been about the network equipment, etc. It has got confused because things
like cameras crept into it and the odd bits and pieces like that, and we did not do procurement of those.

They were just here as a supply route for it.

But let’s put it into context. PCs — I think we have five or six PCs in the catalogue, typically; laptops,
same sort of number, typically — those are the devices which we can get best price on. Those are devices
which represent the range of needs from a laptop from somebody who uses it primarily in the office, takes
it home occasionally, might go to the UK once or twice a year and uses a laptop for that, to somebody
like a social services worker, who is going to use a heavy-duty laptop and require that heavy-duty laptop.

So we have a number of devices, down to the off-net device, down to the mini-net loop device. Today we
are looking at things like tablets, because we believe tablets are going to be an important piece of the
mobile working environment.

Those devices are put into the catalogue, following a procurement process. They are priced following
a procurement process. They are priced on an ongoing comparison against alternatives. We can
demonstrate that the year-on-year prices come down. I think that is how we establish the catalogue.

If somebody comes along and says, ‘We want something else’, then we will have a discussion as to
whether it could be met from something in the catalogue or whether it is totally out of kilter, in which
case we will look at it and work with them, to evaluate a suggestion or to look for...
Digital dictation is a prime example. It took a lot of time to get digital dictation to a point where it can go in the catalogue now, having been successfully implemented in the Hospital.

Mr Butt: Three years!

Mr Paterson: It took a long time because of the difficulty of getting business engagement in what is a new process. Interestingly — and forgive me, I am putting a diversion in here — very positive feedback from the clinical ownership of it. That very positive feedback is, ‘We didn’t expect it to work, but we have now done away with tape and we really are delighted, real savings.’ Value for... DH are reticent, shall we say, about allowing a case study to reflect savings, and I always think this is part of the challenge.

A business case might identify savings up front, but then we get into a case of, ‘Well, actually, we have moved people sideways, we have re-utilised them, so it is more efficient, guys. We are happy to say it is more efficient, but we are not articulating savings.’ I think that is a challenge across the board which, again, I think Dan Davies and the Transforming Government and a new finance appointment he has will be looking to handle. Digital dictation is now in the catalogue and is re-usable in any area that requires digital dictation.

Q469. Mr Butt: Can I just follow up from Mr Cregeen’s comment about the catalogue being perceived to be restricted. Your whole system is based on Microsoft, isn’t it? It is a Microsoft system.

Mr Paterson: Primarily, yes.

Q470. Mr Butt: Primarily, yes. Would you allow a hybrid sort of architecture for your system so you could have others systems, the best systems available, so you mix Microsoft with other systems, as well? Why can’t you do that, because other companies do, I know?

Mr Paterson: Other companies do and have a high cost of support, integration and licensing etc. We are not 100% Microsoft. We have some open system software in place. We work with Education and have no intention — stealth or otherwise — to say to them, 'Get off Apple by three weeks on Friday.'

Mr Butt: I am very pleased to hear that.

Mr Paterson: I have personal views about what the child coming into the workplace might want to experience, but even those views have changed because a child coming into the workplace actually does not want to work on a PC or a laptop. He wants to work on his Smartphone and he wants to be doing 14 things at the same time and not... So there is a change going on.

We have Microsoft in place and the [Inaudible] and value for money report demonstrated and confirmed that the Microsoft strategy was an appropriate strategy. It has allowed us to manage that support of the desktop at reduced cost, resilience of the desktop at reduced cost, integration in the data centre, cost reduction in the data centre — all these things. I will not support going out and buying a new Oracle system, for instance, when there are systems in the Microsoft space that will fill the business needs, I believe.

Q471. Mr Butt: There is a perception, though, that because it is Microsoft, it is like ‘one size fits all’. We have to go into this system and that is it.

I am not technical, but something like Linux or whatever, you could bring in — it is so similar but it runs on a different operating system — and put that alongside what you are already using.

Mr Paterson: If there is not a system that can be found in the preferred technology platform, we will consider alternatives.

Q472. Mr Butt: If it is the best system for the job?

Mr Paterson: The best is the enemy of the good. If ‘best system’ means increased costs and support, maintenance, licensing, then it is the enemy. What we go for is ‘good’ that will meet the business needs.

Q473. Mr Butt: If the Department is willing to pay for it, you would do that, would you?

Mr Paterson: The Department does not pay for my increased cost, does it, if I have got complexity?
When we chose Axapta as the financial system, part of the rationale behind that was total cost of ownership. To maintain a Microsoft environment and an Oracle environment, had we re-implemented Oracle at the time, would have raised the total cost of ownership, but that would have been my budget, primarily. The Department does not pay for that.

I believe we have a fit-for-purpose technology platform. I believe we will continue to evolve it. As an example, and perhaps I am putting up a hostage to fortune, particularly for my successor, I do not think e-mail will sit within the Government environment in three or four years' time. I think e-mail will sit in a public cloud environment. Is that going to be a Microsoft environment? I do not know. I suspect it will be, but it might not be and we will continue to have the strategies and, if I have created a hostage to fortune, I will back off!

Q474. The Chairman: Could I just come back to a comment you made in the middle of that, Mr Paterson, where you said — or I heard — almost a cultural observation that in some Departments you have experienced a feeling where the savings — efficiency savings or the savings — were not part of the outcome because the culture seems to be, in the various bits of Government you have experienced, that they would just be utilised elsewhere. So it was not about saving on headcount, it was not about saving on the cost, it was not about saving on efficiency of systems.

Mr Paterson: It is an interesting argument, and I think the debate, in part, is about is there a tangible RLI, which is 99% going to be about saving heads, or what is the benefit coming out from it? We believe there has been a reluctance to address the tangible RLI in some instances in the past.

Let me turn that on its head now and say I think Government, through some of the cost cutting which it has applied recently, has now reduced headcount in places where that is not sustainable without back-office change. The Gershon Report, back in 2002 or thereabouts... Sir Peter Gershon, in the UK, came in and was charged with cost cutting in the UK back in 2002. The Gershon Report made a number of recommendations of change. Those recommendations were implemented, cost saving was achieved. Francis Maude said, last week, 25% of that was not sustainable and has now recurred.

So, unless we actually are clear about benefits and are clear about how we are going to achieve those and sustain them — and I do not believe we are as good at articulating them as we should be, unless we are going to sustain them — then there is going to be recurred cost at some stage in the future. It would be my fear just now that some of what has happened in the last 12 months, in terms of cost cutting, has made hostages to fortune in some of the Departments, in some of the divisions, and that is not sustainable without investment in back-office redesign.

Q475. The Chairman: So the 'ruthless ownership' that you quoted, Francis Maude... Well, no, the system in England, anyway. The ruthless ownership in the centre, does that fall to you to be ruthless and own those outcomes to be achieved?

Mr Paterson: I think it falls to me to be ruthless in terms of ownership of the technology environment and the provision of that and the standards and the platforms and the leadership in the technology opportunity. A nice quote from Henry Ford, I think, on the front of the written thing:

'It if I'd asked my customers what they wanted, they'd have said a faster horse.'

I am sure some of you have heard me say in the past that if I go to the average user — and this is in the private sector as much as it is here — and say, 'Technology is not a problem: what do you want?' they tend to say a new total, a new sequence — they do not say a different way, and I think this is the challenge.

So, ruthless, yes. I think I have a responsibility to be very strong about the technology environment, but I think there also needs to be a responsibility for considerable strength about business priorities and business vision, and that, I think, sits at the moment at a co-ordinating level within the Chief Secretary's Office.

Q476. Mr Cregeen: I think we touched on question 11 earlier on when we were talking about it, so if we move on to question 12.

What action do you take to monitor the performance of your division? If I could just ask, as an aside to that, in your customer feedback it says about the roll-out of Vista and everything like this, which was a drop in the ocean because it stopped half way through, or quarter of the way through. Did you purchase so many licences for the Vista (Mr Paterson: No) or is it just for each application that you are actually in?
Mr Paterson: The Enterprise licensing agreement that we have allows us to take the latest operating system level. So while yesterday we may have rolled out Vista onto a particular desktop, tomorrow we roll out Windows 7 onto the desktop. It is not a replacement... a duplication of cost.

Q477. Mr Cregeen: So if we go back to the original thing about the monitoring, are you constantly monitoring value for money through the Tourism Division, the performance of the people in there, and whether you consider you are getting value for money?

Mr Paterson: Yes, and I think we have tried to address that in some of the conversation earlier about the formal measurements, about the procurement measurements, about the audit measurements, about the KPI measurements etc. and about programme launch with the divisions... Departments. Suitable effort goes into trying to make sure that we are continuing to be increasingly effective.

Q478. Mr Cregeen: One of the things is because people say to us that ISD is very robust in their discussions. Do you consider that some of the criticism may not come to you directly because they feel that you are quite robust, in that this a system you are going to have, and that is possibly why some of it comes to people like ourselves to ask the question?

Mr Paterson: I believe that that criticism is not being addressed within the Departments. I believe that there are conversations, there are meetings, there are strategic discussions that go on at, perhaps, programme board level within a Department etc and that that might not be effectively conveyed and shared. That is an issue.

We try to address some of that but, again, meetings for the sake of meetings. We have, in the past, had computer liaison officers, IT managers on a regular IT forum. We have sought to actually get interest in that IT forum. We have sought to transfer ownership of it to different Departments, different divisions etc and it kind of withers on the vine.

We get accused of poor communication about shutdowns, etc. Shutdowns are advised — planned shutdowns, and we try and reduce them — about two weeks ahead to CLOs. Do CLOs tell their customers? I do not know. Should we actually put that out on a Government-all? To some extent, we have started to share some of this stuff with Chief Executives, but CLOs are in part a responsibility within the Department, to communicate and share. But, ultimately, if somebody has got frustration, then there should be processes within their own Departments, to actually understand why.

I come back again to the Noble’s-type discussion. DH is the place where priorities were established and controlled and set — not ISD. I am not sure that is understood.

Q479. Mr Butt: Can I comment on that?

We have had some evidence, I think, to say that the Department of Health, in particular, with their frustrations, the only time they involve political Members to try to resolve things is that is the time they use political Members to go to ISD and sort things out — in the past this is, probably when it was DHSS.

Mr Paterson: I am not aware of that. I am not aware of political involvement from DHSS.

Mr Butt: Well, I have actually certainly been approached several times recently, to say, 'Can you move this thing forward for us, please?' — I have not been to see you.

Mr Paterson: I have not seen you.

Mr Butt: No, I have not done so, but that is the time they come with frustrations. I just wondered, I think it is the last question —

Mr Paterson: Should that not be with the chief operating officer —?

Q480. Mr Butt: They have problems as well and they come to me, and that is... It is actually the last question, really, on the list there. If they do have a complaint about the service of ISD, what is your process? Can they complain to you at CEO level, or whatever?

Mr Paterson: Since 2008, we have had, I think, seven complaints, and at least one of those was somebody saying something to me, and I said to the Planning Resources Manager, 'Treat that as a formal complaint.' We do investigate complaints.
Q481. Mr Butt: I do not mean formal complaints. I mean if they have got a complaint about the service they have had and they want things to be changed or moved on, how do they do that?

Mr Paterson: I believe they should do it through their programme boards. They should do it through their senior officers or through their CLOs or IT managers being part of that. I believe that we have, generally, resources around in the Departments, who have an IT responsibility. We have seen irresponsible officers.

Mr Butt: The question was, how do you then deal with that complaint? Say it becomes even a formal complaint. What is your process?

Mr Paterson: The process is to review it and decide whether there is fact behind it and what we need to learn from.

So a formal complaint might be, 'I expected' – in the past – '2e2 to turn up with a PC at between 10 and 11 this morning and here we are at five and they have not turned up'. So we have reviewed that and gone through our supplier management process with 2e2 at the time and said, what is the issue and how do we resolve that? Seven complaints over a three-year period, most of which are about things like hardware delivery etc. If somebody wants to actually complain about why can I not have my own server...

Q482. Mr Butt: The question might be... [Inaudible]. They have asked for that to be the exception and you have said no to being the exception. What do they do, then? Where do they go?

Mr Paterson: I have a feeling we are making a mountain out of a molehill, in the sense that it is a very, very rare occasion and, in a sense, the people at Education, actually, walked into the fold, rather than got dragged screaming into the fold.

The issue, I think, I come back to it again, is about business change management. The issue is about business objectives. If DHSS wanted that integrated patient healthcare, then integrate it, then put it in an integrated environment.

There was a degree of screaming and shouting about GP servers being brought into the data centre. I believe there is now a high-performing service for GPs from the data centre and, guess what? They can now get pathology results etc. That level of integration is what the outcome is.

Of course, there is frustration, 'because it is my baby, you have taken it away from me', but there are strong reasons for that. We will, if there is no reason to do that, then support that stand-alone. We will, if there is an absolute breakdown in communication, then resolve to a departmental level. So, in that case, with the Post Office, that went to a departmental level in DED and we have taken action, following that, to see how we can resolve it. The Post Office have refused to come to a middle ground, so we have said, 'Fine, go off and justify in your own scenario.'

Let me just cite one example; the servers in Noble's. It is dearer to put it into ISD and we want it in Noble's. There was a business case created by a Noble's IT resource. That business case quoted a cost that would be incurred to the Department of Health in putting that environment into ISD and quoted a cost of maintaining it in Noble's; there was a substantive difference. The figure attributed to ISD was never provided by ISD, is a speculative figure and is totally wrong, and the figure that ISD have produced is substantially lower than the Noble's cost.

Q483. Mr Cregeen: I think we have covered most of the questions we actually put down there, but I have just got two other ones there. Succession planning: how do you plan ahead for the future, for people to take over? Are you on top of that now, coming up...? We have seen [Inaudible] say they are reliant on Peter Clarke and I think John Callister is...

Mr Paterson: He has got five working days left.
Mr Cregeen: So how are you dealing with your succession planning there?

Mr Paterson: John Callister – known as Sid, to his friends – is not here today. He is in Germany, preparing for his move to living in Alpine environments and doing the green thing, and I shall be enormously sad when we see him go, because he has been an enormous asset.

The reality of life is that we will continue to evolve the senior management team. We will go down from five to four in the senior management team, 99% certainly; we will use that opportunity to actually bring younger, fresher blood in lower down the organisation, because the staff turnover in ISD has been remarkably low in the eight years I have been there, nearly nine years. So we are seeking to bring in fresh blood.

However, we continue to invest in management development or professional development, so we have Andy Williams, who is coming off the SMDP, with considerable investment in him; we have some of the technicians who get considerable professional technical qualifications, expertise, etc. I think everybody struggles with succession planning. I think people struggle with it in the context of fear of open competition, as opposed to let's... My objective has been to do what was not done before I came: there was no investment in potential successors but there was an expectation in an individual who was not particularly invested in. I am trying to make sure that ISD has people who are capable of succeeding, albeit that we will go into a fair and open environment, as per the commission.

Q484. Mr Cregeen: The other one is when you were talking earlier about the twin data centres... As Mr Butt said about the Medway and Axapta being on the same server... You do not seem to go along the mirrored server, so you could take this one down and still keep on running your other server, which is –

Mr Paterson: Sorry, we do.

Mr Cregeen: You do?

Mr Paterson: Absolutely do. It depends on the application. So Medway, as an example, is mirrored, but the application itself is not fail-over as an application and requires the Medway supplier to actually check the integrity of data before it is brought back up. So it is not a one-minute, two-minute automatic fail-over; it might be a half hour, depending on the availability of the Medway supplier. It is an application issue.

Q485. Mr Cregeen: So it is not a live replication?

Mr Paterson: It is as near as damn it, as the application allows, live replication. We are encouraging Medway to upgrade, develop, etc and build that in, but it is possible that, at the point of failure, a transaction was in progress in the Hospital - a patient record was being updated in the Hospital - and that patient record has not been fully integrated into the mirrored environment. That is an application problem; it is not a technology environment problem.

On the other hand, e-mail has failed over within 15 seconds, from one data centre to the other data centre, when there was a substantive building power problem. The intention is to have those mirrored. Increasingly, we are moving towards a third mini-data centre, which is the storage. So we have mirrored data sitting available to the two different processing environments.

Q486. Mr Cregeen: So, hopefully most of it is live replication, but it is not going to be once a day, at the end of the day, that you update it?

Mr Paterson: It depends on the service level that is required by the business. If it is SLA, then we are looking to live replication, providing the application permits it.

Mr Cregeen: You are looking to it, or –?

Mr Paterson: No, that is the time.

Mr Cregeen: That is happening now? (Mr Paterson: Absolutely.) Sorry, it is just when you said you were looking to it, I thought we were talking –

Mr Paterson: No, that is within the definition of SLA.
Q487. Mr Butt: Therefore, on virtualisation, then, is that a similar thing, or not? If you had that in place, there would be no blip at all, would there? You would not have to shut down for half an hour. You would not even notice anything had happened.

Mr Paterson: No, the virtualisation will not solve... If we lost data centre 1 and had to fail over to data centre 2, for whatever reason, the application could come back up on data centre 2 – virtualisation is not part of that issue – but the data integrity –

Q488. Mr Butt: But a routine shutdown of Axapta for some repair... If it was virtualised, you could do that... and Medway would just keep running, regardless.

Mr Paterson: Absolutely. If we had a routine shutdown of Axapta, Medway can keep running.

Mr Butt: Is that only when you would have virtual servers?

Mr Paterson: Yes.

Q489. Mr Butt: Or now? Because now it does go down, doesn’t it?

Mr Paterson: It has gone down. It does not go down anything like the potential shroud waving of fear of it but, yes, it has gone down and we learnt from that and we try to move that forward.

There was one area that you have not mentioned that was in the questions and I thought it was useful to comment on. That is Heat and the help desk. Heat is 15 years old, somewhat getting out of date. We are in the process of replacing Heat at this point in time. However there are a number of Departments who have access and licences to be able to place a Heat call directly, not just an e-mail version.

The majority of Heat calls come in via e-mail automatically. There are a number of Departments who have the ability to actually get into Heat, place a Heat call, monitor that Heat call, review that Heat call. Those Departments do not use it, for whatever reason I do not know. DEC has that access; DoH has that access. It is not used. I mentioned that, I think, in the written...

Q490. Mr Cregeen: Is it because it may have been told to somebody in the organisation who is no longer there, or is it just, you would maybe consider that they do not want to use it?

Mr Paterson: I do not know. I do not believe it is people who were told, who are no longer there.

Q491. Mr Cregeen: One of the things that we have discussed with people before is that discussion between the Department and yourselves, if there is a problem, like you have just said, ‘You have got it, why not use it?’ Have you gone back to the Departments involved recently and said, ‘Why don’t you use this? You can do it.’?

Mr Paterson: The answer to that is no, but we will do that. Everybody is up to their eyeballs and sometimes you can bring a horse to water, but can you make it drink? What we are suggesting is that we are going to keep trying to put its head down to the water. We will do it again.

Q492. Mr Cregeen: One final comment that has been made to me is about itemised timesheets with project numbers: you get given a bill and this is how much it is, rather than a timesheet and actually how to identify what the costs were for.

Mr Paterson: The timesheets are closely monitored within ISD. I think we seek to make sure that the business understands the total occurrence of time. If the business wants to explore the individual timesheet, I have no problems with that. I think it is crazy to do it on a full-time all-the-time basis. We have a process to make sure that it is managed and that we are only incurring expenditure where the time has genuinely been incurred and genuinely been contributed.

Q493. Mr Butt: Just one final thing, if I may. The perception we have had from the witnesses, and from some of your comments today, is that the priority – and I have said this before – is security of technical considerations at the expense of the outcomes for the customer, in effect. I know you will not accept that, but I wonder could you ponder that and listen to those perceptions and say what could you do to change that perception. The customer needs the service it wants when it wants it, rather than take into
account the security issues and the…

Mr Paterson: If you asked the senior managers behind me, as witnesses, they would probably tell you that, 'Allan keeps telling us, how do we make it faster, less bureaucratic etc?' We continue to work to it. Yes, we will consider, we continue to consider. We continue to look at new opportunities. That is why I mentioned things like tablet computing.

How do we provide facilities which are faster, more effective, and perhaps — and they hate it when I say it — more consumer oriented. The consumer uses iPads — my daughter uses iPad. I am not particularly keen on the iPad and the Apple, per se, but the technology is becoming prevalent. How do we move to that? How do we move to that without causing grief?

When I walk down the corridor to some of these senior managers, they say, 'Oh God, Allan, is coming again — we have got another “How do we improve something?” coming up!' But that is a continuing thrust.

Q494. The Chairman: Could I thank you, Mr Paterson. I am conscious you have afforded us time enough that we could have had a football match and extra time, so that is very good of you.

I hope you will not have the impression… I think it is fair to say, on behalf of the Committee, we appreciate the challenges that ISD and all your colleagues dealing with IT continue to face to achieve the best outcomes for Government.

Thank you very much for your time today. If there is anything that you feel we have not given you the opportunity to touch on, or touch on fully, when you respond to us, perhaps if you would feel free to include those observations.

Mr Paterson: My only closing comment, of course, is the need for strong business leadership, vision, prioritisation and resource allocation.

The Chairman: Well, I am sure we are all the more appreciative of that in today’s environment than ever, so if I could thank you on behalf of the Committee for your time and for your evidence, sir.

Mr Paterson: Thank you. Gura mie eu.

The Chairman: That concludes this sitting, thank you very much.

The Committee adjourned at 12.26 p.m.
APPENDIX 2
FINANCIAL REGULATIONS

FD8 TENDERS

1. This direction does not apply to capital projects (see FD17).
2. The maximum length of any contract or partnering arrangement will be 5 years, after which the service must be subject to competitive tender or similar market forces evaluation.
3. Competitive tenders (note 1 below) must be sought where the cost of a purchase or service is likely to exceed £50,000 over the term of the contract. This direction also applies to circumstances where designated bodies are in the position of offering third parties the opportunity to earn income and when disposing of assets not covered by FD29 Land - acquisition and disposal.
4. Accounting Officers should seek competitive tenders for purchases below the above threshold limits where it is deemed necessary or appropriate.
5. A framework agreement is a general term for agreements with suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. Some goods and services are available through centrally negotiated framework agreements which have been negotiated and agreed by Treasury. Details of these centrally negotiated framework agreements must be obtained from the Head of Procurement, Corporate Strategy Division, Treasury before placing orders. Prior authorisation from Treasury’s Value for Money Committee must be obtained by any designated body wishing to operate outside these agreements.
6. Where a designated body wishes to enter into a framework agreement for the provision of goods or services, other than those mentioned in paragraph 5 above, the designated body must ensure that: (i) the granting of the framework agreement is tendered in accordance with paragraph 3 above (where applicable); and (ii) the operation of a framework agreement does not preclude the seeking of quotes or formal tenders for specific schemes/projects where savings could be made by this approach.
7. For the procurement of goods or services not covered by any of the above circumstances, written quotations or estimates (for services) must be sought from at least 3 sources for purchases of goods and services over £5,000.
8. Written or telephone quotations or internet prices or estimates should be sought for amounts of less than the above where considered appropriate. Written quotations or estimates in excess of the above values must be retained for audit purposes. Where it is not possible or practicable to obtain 3 quotations or estimates the reasons why should be documented and retained for audit purposes.
9. Assistance from the Attorney General’s Chambers must be sought with the preparation of tender documents unless such documents are prepared by appropriately qualified professionals on a designated body’s behalf. Tender documents should comply with Guidance Note 1 referred to below. In addition to the description of the service or goods...
required, the tender documents must provide for the usual contractual terms such as the circumstances in which the contract can be terminated, responsibility for and amounts of insurance, liability, location, the dates within which the goods/services are to be provided, payment provisions, compliance with statute/approvals, jurisdiction, variation etc. Further guidance on this matter is included in the Value for Money Committee's Guidance Note No.1 on Competitive Tendering.

10. Where a contract is to be tendered, an invitation to tender should be extended to the public at large or to all of the suppliers on a select list. The period of notice must be appropriate to give all relevant suppliers an opportunity to bid. Competitive tenders should be sought from a minimum of 3 suppliers and restricted to no more than 6 suppliers where tenders are likely to be complex and costly to produce.

11. Where it is not possible or practicable to seek competitive tenders (e.g. only one known supplier, in an emergency, or where the timing of delivery is of the essence) the formal tendering process may only be waived upon the prior written approval of the Accounting Officer, or his deputy in his absence, where the value of the order is likely to exceed £50,000 but be less than £100,000. Where the value is likely to exceed £100,000 the prior approval of the Treasury must be sought. In all instances where strict competitive tendering is not the method used, the Accounting Officer must satisfy himself that the methodology used is transparent, accountable and produces a cost effective solution and shall be documented and retained for audit purposes.

12. The lowest tender, if payment is to be made by Government, or the highest price if payment is to be received by Government, shall be accepted except upon a written report from the Accounting Officer to the designated body. The reasons and supporting evidence for not accepting the most favourably priced quote or tender should be documented and retained for audit. The invitation to tender should make clear that the designated body is not obliged to accept the lowest or any tender for the specification.

13. To avoid misunderstanding leading to costly errors in manufacture or supply, a complete and clear specification or description of the requirement must be included with the tender documents. The specification or statement of requirements should not be produced by any person or organisation likely to be tendering for the contract.

14. Tenders must be forwarded to the Accounting Officer or, if so authorised in writing by the Accounting Officer, to an officer or officers nominated by the Accounting Officer.

15. The envelopes containing the tenders must be clearly marked "TENDER", and may not be opened until the date and time for delivery of the tenders has passed. The envelopes containing the tenders must be opened by at least two senior officers, one of which must be the Accounting Officer, or by a senior officer so authorised by the Accounting Officer.

16. A person whose tender is unsuccessful should be notified of that fact, and, if so required, be given an indication of why the tender was not accepted, but without breaching the confidence of the successful tenderer.

17. Senior officers involved in seeking tenders for goods or services, or quotes for commissioning of works, must inform the Accounting Officer if they, or any of their immediate family, have any direct interest in any company or other business entity invited to tender or to give a quotation. "Direct interest" in relation to a company or other business entity, includes any senior position or directorship, the post of company secretary, and any
holding of interest in 5 per cent or more of the issued share capital, of the company or any associated company.

18. For construction work, designated bodies must employ Accredited Contractors who are included on the Manx Accredited Construction Contractors Scheme maintained by the Isle of Man Employers' Federation. Details of Manx Accredited Contractors can be obtained from the Isle of Man Employers' Federation, 23a Village Walk, Onchan, tel 660188.

19. This direction applies to circumstances where payment for a service takes the form of a sales commission or a fee.

**FD25 SELECTION AND MANAGEMENT OF EXTERNAL CONSULTANTS FOR NON CAPITAL SCHEMES**

1. For the purpose of this regulation consultancy is defined as "An external organisation or individual commissioned to provide specialist expert advice, opinion or particular service for the benefit of Government delivered in response to a specific brief and within a defined timescale". Contracts must be used for any appointment of consultants.

2. Before seeking to engage external consultants designated bodies must carefully consider the reasons why it is necessary to do so. The possibility of using appropriately qualified officers from existing Government sources should be investigated.

3. If, after considering all other options, the engagement of a consultant is justified, the reasons for arriving at that decision must be documented.

4. A budget for the consultancy work must be planned and a separate budgetary code established for each consultancy engagement, to record accurately the associated costs.

5. Clear and concise terms of reference must be produced before tenders or quotations are invited from potential consultants. Invitations to tender should not normally be extended to an individual or body involved in drawing up the terms of reference.

6. The procedures shown in FD8 shall be adhered to and tenders or written quotations sought, if appropriate according to the likely cost of the consultancy. The term of the contract must be specified. Periodic performance reviews of such agreements should be carried out and the frequency of such reviews stated within the contract.

7. Comprehensive criteria must be set to evaluate consultants' offer tenders, such as previous experience and qualifications of the person actually undertaking the work.

8. If an applicant is unknown to the designated body, references should be sought, where possible, from bodies where the applicant has carried out similar works.

9. The reasons for selecting a particular consultant and rejecting others shall be documented.

10. A formal written agreement must be drafted based on the "terms of reference" and the agreement should be signed by authorised representatives of both the designated body and the consultancy.

11. Target dates and performance targets must be established for the engagement of consultants implementation of accepted recommendations. Formal review procedures must be established to evaluate the consultant's work and to determine whether the work is progressing on time, to budget and in substance.
1. Accounting Officers must ensure that any project subject to the criteria outlined in Paragraphs 2 and 3 complies fully with this Direction which exists to (a) ensure value for money from ICT, (b) mitigate against risk to the corporate technology infrastructure, and (c) ensure effective planning.

2. All ICT enabled projects should be the subject of an investigation report formally approved by the designated body a copy of which must be submitted to the Director of Information Systems Division (ISD), the Department of Economic Development. The investigation report must contain reference to the risk and profile levels and the impact of failure which will form the basis of the level of ICT Governance required, as determined by the Director of ISD. The investigation report must also indicate a clear business case in support of the project, with particular focus on improved efficiency and / or improved service effectiveness.

3. Projects shall be subject to ICT Governance where at least one of the following criteria exists:
   - There is any element of delivery of services via channels enabled by technology
   - The project involves external suppliers or consultancy
   - The project cost is greater than £25,000 (whether hardware, software, development, etc)
   - The ICT component resides on the corporate ConnectMann network after delivery

4. Accounting Officers must ensure that the responsibilities of managers include development and maintenance of the designated body’s strategic programme for major ICT projects to support, enhance and transform core processes and services. Projects shall comply with Jupiter Business Principles and data standards, using common services wherever practical (payment engine, records management, enrolment / authentication, etc.) as determined by the Service Transformation Group.

5. Projects with an estimated ICT component value of more than £250,000 shall require approval from Treasury.

6. All hardware procurement shall be undertaken by ISD in conjunction with the Government’s Procurement, Installation, Support & Maintenance (PISAM) contract. Equipment which does not fall within the scope of the PISAM will be reviewed individually by ISD in conjunction with the requesting designated body. No ICT equipment shall be connected to the corporate ConnectMann network without prior approval from ISD. No ICT equipment already connected to the corporate ConnectMann network shall be modified without prior approval from ISD.

7. Application development and support procurement shall be carried out by ISD in conjunction with Treasury’s Procurement Services team and shall be based on the Government’s preferred application development partners’ portfolio, except in niche cases where specialist suppliers are required.

8. Server based applications shall be required to reside within the Government Data Centres unless there are exceptional circumstances which are approved by the Service Transformation Group.

9. Further assistance can be obtained by contacting the Director, ISD, Department of Economic Development.
APPENDIX 3
Department of Tourism & Leisure

INTERNAL AUDIT REPORT

Bus Ticketing System - Post Implementation Review

Ref: 2010/175

30 April 2010

EXECUTIVE SUMMARY
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### ASSIGNMENT CONTROL:

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<td>Executive Summary:</td>
<td>C Randall, Chief Internal Auditor, Bsc (Econ) FCCA. G Milligan, Audit Manager, [Information Systems].</td>
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<td>Standing Committee on Expenditure and Public Accounts</td>
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1 EXECUTIVE SUMMARY

1.1 Introduction and Scope

In response to a question in Legislative Council the Minister for Tourism and Leisure tasked the Member with delegated responsibility with providing a full report on the procurement of the DTL Bus Ticketing system since its inception in 2006, outlining any necessary actions required. The Minister, DTL asked for a full investigation into the project management of the Bus Ticketing System, primarily with a view to identifying the reasons and series of events that lead to the organisation implementing a system that fails to meet its business requirements and to identify any lessons that can be learned for the future.

Internal Audit agreed to complete an independent "post implementation review" of the procurement, project management and implementation of the Bus Ticketing System. It was agreed with the Acting Chief Executive, DTL that Internal Audit assurance work would cover, but would not be limited to, an examination of the following key areas:

- How the specification for the system was derived and its linkage to key business requirements, including:
  - Examination of the detailed specification, including processes for approval;
  - Consideration not to include the cash receipting module;
  - Consideration of smart card inclusion and specification;
  - Linkage of specification and requirements to anticipated future service delivery infrastructure and the requirement for interim arrangements;
  - Examination of skills and experience of key individuals involved in the process.
- How the system was selected as the preferred system, including:
  - How the range of potential systems and solutions were identified;
  - How the selection of the system matched the detailed specification better than other identified systems. In particular the way in which a perceived urgency in delivery timescales influenced the decision.
- How well the project was managed and the required system delivered, including:
  - Adherence to project management methodologies;
  - Knowledge and experience of implementation team; and
  - Delivery of the system against the originally anticipated requirements, timeframe and budget.
- How the application of FD27 impacted on the project, including:
  - Impact on the specification and supplier selection;
  - Impact on project delivery, including any required changes to standard system functionality; and
  - Impact of be-spoking, or movement away from standard functionality, has
on on-going support and maintenance costs.

Internal Audit commenced the review on 26 November 2009. Information to support the review was obtained from meetings and discussions with a number of individuals. Supporting project documentation and additional information was also confirmed from project folders and files made available in an electronic format by Information Systems Division, Treasury.

It was not possible to interview four key individuals, two from Intelligence Ltd who were responsible for project management, and two from DTL who were responsible for the specification and delivery of the bus ticketing system and who had subsequently left employment.

It has not been considered necessary to interview any personnel employed by Almex in the delivery of this project, the review being focused on IoM Government project management controls.

1.2 Overall Conclusions

The implementation of a replacement bus ticketing system has been problematic. Given that the original driving factor for a change in bus ticketing system was due to the risk of a catastrophic failure of the existing system, it is surprising that some 5 or 6 years passed before the replacement was made.

The Invitation To Tender [ITT] document was issued by the project on 16 November 2006 and a contract for the supply of a bus ticketing system was only signed in July 2008, over 16 months after the original target date for the project, Q2 2007, identified in Service Investigation [SIR] and Project Initiation [PID] documents.

Though technical aspects were discussed and agreed during this period the majority of this time was spent in protracted contract negotiations. As [REDACTED] was not a legal entity in the UK the due diligence activities required a contract be established with the parent company, [REDACTED] in Germany. As the contract was under Manx law the German company required Manx legal advice. During this period [REDACTED] were also distracted by their involvement in a Scottish national transport project and there were delays of several weeks in getting responses to questions.

The project costs exceeded the pre-tender budget which was identified as £350,000 in both the SIR and PID and in an ISD submission to Treasury in November 2006, albeit by a small margin (10%). The pre-tender figure was increased by the Project Steering Group during the life of the project to provide a contingency which covered all of the project costs.

There are continuing problems with the system, in particular in relation to the adequacy of ticket sales to cash reconciliation processes where management action is required to address the identified control weaknesses.
Project Specification

A number of project management documents were produced by ISD, who had been contracted by ISD, under their existing framework contract, to provide the project management. While these project documents provided high level business requirements for the replacement of the bus ticketing system, they did not provide sufficient detail of the processing and operation of the required bus ticketing system. It is acknowledged that there is always a need for a balancing between a specification being so detailed as to stifle innovation and alternative solutions and one which provides sufficient detail to ensure that what is delivered is what was required.

In July 2008, [redacted] produced a Business Requirements Specification [BRS] which provided an Electronic Ticketing Machine [ETM] configuration guide required to allow the unique programming of ETMs to meet customer requirements. The document provided details about ticket types, route details, fare stages, system menu layouts and other customisations. [redacted] clearly considered that this BRS document provided an agreed specification between them and IOM Government and they seemed to have delivered a bus ticketing system to this specification. However some of the associated business processes, for example cash reconciliation, were missing and in the opinion of Internal Audit would have been identified if a full business analysis was undertaken as part of the project methodology.

Whilst ISD are confident that their project management methodology added value to the project, establishing a structure for the project and making DTL focus more on what they wanted, and whilst they believe that both they and DTL were clear about project deliverables there were still clearly difficulties in fully identifying all of DTL’s business requirements. For example, although not shown in the project documentation DTL proposed the use of the Tetra system to transmit data about the location of buses and ISD were only made aware of the deployment of Tetra when delivery of the project was well underway and there was a clash between GPS and Tetra cabling.

Business requirements identified in the ITT document were subject to change during the life of the project. There was an apparent weakness in project change control, with no clear audit trail for the authorisation of these major changes to scope.

It is difficult to reconcile the value that was provided to the project in the production of the SRR and SIR documents, and especially the Project Initiation Document [PID] which was almost immediately superseded when the Invitation To Tender [ITT] was issued to the suppliers.

System Selection

The process of selecting the prospective suppliers of bus ticketing systems was flawed. The project team appear to have wrongly interpreted Financial Regulation FD8.3 to have been met as a minimum of three suppliers had been issued with the invitation to tender, with no public notice. In other words a restrictive tendering route was followed where only potential suppliers known to the project team were invited.
FD8.3 states that:

"Where tenders are being sought no contract for the supply of goods or services shall be made without a period of public notice inviting such tenders, or if a select list of suppliers is maintained, until all relevant suppliers on the list have been given the opportunity to bid...........".

DTL provided the initial list of three suppliers which was accepted by all those involved in the project, including Internal Audit, as the basis for inviting tenders. A period of public notice may well have identified other suppliers who might have been able to more closely meet both DTL's business requirements and ISD's network architecture requirements, perhaps at a lower cost.

It is our opinion, that [redacted] responded to the Invitation To Tender on the basis that they would be supplying a ‘basic’ bus ticketing system (at a cost of £333,638), and that they would then be charging additional costs for the specification and development of future service delivery requirements [e.g. ITSO compliant smart cards]. The costs provided by the other suppliers, which were almost double those of [redacted] indicates that, potentially, these suppliers were providing prices for delivering more functionality than the [redacted] system.

**Project Governance**

Whilst the project management methodology set out in ISD's ICT Guidelines was followed it is clear that it did not operate as well as it could have. The Project Steering Group, which consisted of staff with considerable experience of the management of projects, should not have authorised the project to progress to ITT stage without a much more detailed specification of the existing business system and requirements. However, it is recognised that the pressure on DTL to implement a new system, because of the increasing risk of the existing bus ticketing system failing, required the best endeavours of the Project Steering Group to progress the project as quickly as possible.

The issues surrounding the understanding of the Department's actual requirements were no doubt influenced by a lack of expert knowledge. Whilst it is reasonable to expect that there would be a working knowledge of the operations of a bus ticketing system, given that individuals were working in this area, there was perhaps not the expected degree of expertise within the project team. The assignment of the Director of Leisure Services to lead IOM Transport, in addition to his existing duties was, probably in hindsight, a risky decision, especially at a time when a project to replace an existing system and to look at options to expand the system was being carried out.

[redacted] are retained by ISD under a framework contract to provide project management support and are, we are informed, highly valued by ISD. Whilst they are able to provide general project management expertise, in this instance, with the benefit of hindsight, and noting the level of expertise that was available to DTL from the Head of Buses, it may well have been appropriate, that a bus ticketing expert should have been brought in to provide consultancy support to the business. However, given the scope of the requirements this suggestion might well have increased risks, timescales and costs. In our opinion the main contributing factor was the lack of detailed assessment and review of the existing processes and detailed
specification of requirements.

DTL senior management ownership of the project was clearly limited by a lack of technical knowledge of bus ticketing systems and by a lack of understanding of the implications of the network and systems architecture. Therefore there had been a reliance on those individuals who had a perceived working knowledge or “expertise” of bus ticketing systems but not necessarily the strategic application of the system, smart cards, real time passenger information etc.

Whilst there are some “bus technical” aspects that should have been considered, the major problems that are now causing concern over the existing system would not have been a problem if basic requirements were properly defined (cash reconciliation). Clearly, despite hand-over procedures, the loss of four key individuals, .......... who were responsible for the specification and delivery of the bus ticketing system contributed to a lack of continuity in the project and a lack of clarity in responsibilities when the implementation of the system was being completed.

Impact of FD27

There can, of course, be no real argument regarding the application of a project methodology to a project of this size and, as we have identified from previous Internal Audit reviews, in theory, the methodology should work. However whilst there is little doubt that the methodology will have had some positive impact, what is clear is that it did not work as well as it should have. .......... should have produced much better and more detailed documentation and the Project Steering Group should not have authorised the procurement to go ahead without the detail in the specification.

One of the major factors complicating, certainly the implementation of the system was, ISD’s insistence, based on JUPITER principles, that the preferred solution be networked rather than stand-alone. None of the potential suppliers’ systems, it appears, are ‘normally’ networked and work as a standalone package. Indeed, DTL viewed .......... system working successfully in commercial environment on a stand-alone basis. What is not clear is what the benefits, risks and costs were of requiring the selected systems to be changed from their normal operating mechanism, to fit with ISD’s strategy.

However ISD appear to have agreed to the .......... solution, despite their non-compliant network architecture, because of the increasing risk of the existing bus ticketing system failing and because of .......... assurances that they would move to a more compliant network architecture. ISD had to provide increased effort to make the system “fit” with the Government network architecture and as a consequence of this a number of technical problems were encountered by the project. Many of the products used by .......... were/or are now believed to be nearing the end of their product life and while .......... had indicated in a number of technical discussions that they would move to a more compatible network architecture platform, this did not transpire over the course of the project.

What the project does demonstrate though is the importance of the department’s owning and driving the project. ISD provide implementation support and help to co-ordinate Government’s activities (to ensure economies of scale and linkages are
in place with respect to strategic direction) however it is the Department, particularly in this case, who need to be clear on what is required. It is important when undertaking systems analysis that the scope of the entire operation of the systems, namely the bits surrounding the operation of a computerised process, must be mapped and defined in addition to simply the operation of the computer system. For example the requirement for a reconciliation of the ticket sales to the cash received should have been defined; the system provides the basic information to allow this to happen (or at least it should have) but the requirement for someone to carry out the reconciliation was missed.

Lessons to be Learned

A number of improvements to the way in which the project was managed have been identified and are shown in the attached schedule and these need to be taken into account for all future projects.
2 LESSONS TO BE LEARNED

The priority of the findings and recommendations are as follows:

- **Fundamental** – action is imperative to ensure that the organisational objectives are met and to ensure that the organisation is not exposed to material risks;
- **Significant** – requires action to avoid exposure to significant risks in achieving the objectives for the area under review;
- **Merits Attention** – action encouraged to enhance control or improve operational efficiency.

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<td>3.1</td>
<td>Existing systems and business processes should be reviewed and mapped by the stakeholder to ensure that new systems and operations deliver and improve upon existing functionality.</td>
<td>Significant</td>
<td>Y</td>
<td>ISD Comments&lt;br&gt;ISD agree with the intent and view it as a key component of Business Change and benefit targeting to be addressed by the business. ISD will seek to ensure that this responsibility is understood by its clients – ongoing.&lt;br&gt;&lt;br&gt;&lt;br&gt;&lt;br&gt;&lt;br&gt;&lt;br&gt;&lt;br&gt;<strong>DTL Comments</strong>&lt;br&gt;The Department will ensure effective process mapping is undertaken for all future relevant projects. In relation to the further development of the [redacted] system this work has now been done.</td>
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<td>AWP/JC</td>
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<td>3.1</td>
<td>ISD ICT Guidelines should be reviewed and amended as appropriate to include the</td>
<td>Significant</td>
<td>Y</td>
<td>ISD Comments</td>
<td>Ongoing</td>
<td>AWP/JC</td>
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<td>requirement for full business processing and activity mapping at the Service</td>
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<td>ISD continue to review and update the ICT Guidelines on a regular basis, reflecting</td>
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<td>Investigation Report stage, especially for complex projects, to ensure that the</td>
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<td>experience gained from projects and changing circumstances. Clearly business</td>
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<td>requirements for the new operation are fully defined.</td>
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<td>requirements are fundamental to every project and are defined to the appropriate</td>
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<td>level to reflect the complexity and risks in each stage of the project life cycle.</td>
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<td>Business process mapping reflecting current and desired states is a key component</td>
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<td>of complex projects.</td>
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<td><strong>DTL Comments</strong></td>
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<td>The Department accepts that the management information requirements produced on</td>
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<td>this occasion were inadequate. In future we will ensure the specific management</td>
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<td>information requirements of a new system are clearly identified</td>
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| 3.1     | Management information requirements should be clearly defined by the business when specifying a new system. | Significant    | Y        | DTL Comments  
The Department accepts that the specification produced on this occasion was inadequate. In future we will ensure the specific requirements of a new system are clearly identified                                      | Ongoing             | Director            |
| 3.1     | Projects should not be allowed to progress to ITT stage without a specification which provides sufficient detail to ensure that suppliers can fully understand what is required. | Significant    | Y        | ISD Comments  
This is what we endeavour to do.  
(There are many procurements completed and underway by ISD in conjunction with Internal Audit and Attorney Generals). No specific new action agreed.  
DTL Comments  
The Department accepts that the specification produced on this occasion was inadequate. In future we will ensure the specific requirements of a new system are clearly identified | Ongoing             | AWP/JC              | Director            |
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<tr>
<td>3.1</td>
<td>More detailed scrutiny of key project documentation must be undertaken by Project Steering Groups to ensure that charges made by contractors adequately reflect the quality and quantity of their output.</td>
<td>Significant</td>
<td>Y</td>
<td><strong>ISD Comments</strong>&lt;br&gt;Project Steering Groups will always need to make judgements about risk and need to take real ownership of the projects and deliverables.&lt;br&gt;&lt;br&gt;<strong>DTL Comments</strong>&lt;br&gt;The Department accepts that the scrutiny of key project documentation on this occasion was inadequate. In future we will ensure there is adequate scrutiny. In relation to the further development of the system, the new arrangements, including input from , are working well.</td>
<td>Ongoing</td>
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<td>3.2</td>
<td>The full requirements of Financial Regulations should be observed when issuing Invitation To Tender [ITT] documents. A period of public notice should be undertaken for projects with significant expenditure to ensure that advantage is taken of the full range of potential suppliers and the levels of competition available.</td>
<td>Significant</td>
<td>Y</td>
<td>ISD Comments</td>
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<td>ISD have always been cognisant of Financial regulations and the need to follow these intelligently to ensure compliance and value for money. ISD's Programme Office works closely with business managers, project managers, Attorney General's Chambers and Internal Audit to ensure compliance with all of the appropriate legal &amp; statutory requirements, regulations, policies and guidelines when carrying out projects, procurements and contract management. No new action agreed. <strong>DTL Comment</strong> The Department accepts that it failed on this occasion to fully implement the requirements of PD 8. The Department has recently introduced new internal guidelines on competitive tendering and is taking steps to ensure these requirements are properly adopted across the organisation.</td>
<td>Ongoing</td>
<td>AWP/JC</td>
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<td>3.2</td>
<td>Site visits to view systems in an operational environment should have clear objectives and the selection of sites should reflect the planned setup in the IOM.</td>
<td>Significant</td>
<td>Y</td>
<td><strong>ISD Comments</strong>&lt;br&gt;Yes this is a good practice. Experience shows there will always be challenges to finding reference sites that reflect our pan government infrastructure and high complexity but with relatively low transaction volumes. No specific action agreed. <strong>DTL Comments</strong>&lt;br&gt;There are no current plans to conduct site visits as part of the further development of the system. However, should this prove necessary the Department will ensure such visits have clear objectives and are targeted at sites that reflect the planned set up in the IOM.</td>
<td>Ongoing</td>
<td>AWP/JC</td>
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<td>3.3</td>
<td>Contractors providing project management under a framework contract should have agreed terms of reference established within each project so that project deliverables can be clearly measured.</td>
<td>Significant</td>
<td>Y</td>
<td><strong>ISD Comments</strong>&lt;br&gt;This is already covered by Framework agreements and ICT methodology. E.g. SIR defining deliverables, roles, responsibilities.</td>
<td>Ongoing</td>
<td>AWP/JC</td>
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<td>3.3</td>
<td>ISD, Treasury should ensure that all project stakeholders have an awareness and understanding of the interpretation and application of the ICT Guidelines in relation to all stages of projects.</td>
<td>Significant</td>
<td>Y</td>
<td>ISD Comments</td>
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<td>The ISD ICT Guidelines should be reviewed to ensure that there is adequate guidance on change control processes that should be followed. Change Control procedures must be established and followed to ensure the delivery of business requirements against specifications.</td>
<td>Significant</td>
<td>Y</td>
<td>ISD Comments</td>
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**Bus Ticketing System (2010/175)**

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| 3.3     | Specification documents produced by suppliers following contract agreement should be reviewed against the original business requirements included in the ITT.                                                       | Significant    | Y            | **ISD Comments**  
Supplier material provided, whatever stage in the project life cycle, is reviewed against requirements.  
**DTL Comments**  
The Department accepts that the scrutiny of specification documentation produced by suppliers on this occasion was inadequate. In future we will ensure there is more effective scrutiny. In relation to the further development of the system, the new arrangements, including input from , are working well. | Ongoing            | AWP/JC               |
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|         |                                                                                                                                                                                                                      |                |              |                                                                                                                                                                                                                 |                     |                    |</p>
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<th>Categorisation</th>
<th>Accepted Y/N</th>
<th>Management comment</th>
<th>Implementation date</th>
<th>Manager responsible</th>
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<td>3.3</td>
<td>Responsibility for all elements of project implementation, defined in ICT Guidelines, should be clearly established and met throughout the life of the project.</td>
<td>Significant</td>
<td>Y</td>
<td>ISD Comments&lt;br&gt;ISD will not fill or compromise on areas of client responsibility as defined in the ICT Guide. Agreed - this is our approach. &lt;br&gt;&lt;br&gt;DTL Comments&lt;br&gt;The Department accepts that there was inadequate clarity regarding roles and responsibilities on this occasion. But it is argued that, to some extent, this is encouraged by a system which involves three separate partners (the Department, ISD and [Redacted]). In future we will ensure there is greater clarity.</td>
<td>Ongoing</td>
<td>AWP/JC</td>
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The Treasury
Internal Audit Division

CHIEF SECRETARY’S OFFICE

INTERNAL AUDIT REPORT

ICT FUND

2011/485

22 February 2011

Isle of Man
Government
Reiðlys Ellan Vannin
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1 EXECUTIVE SUMMARY

1.1 Introduction

An audit of the management and control of the ICT Fund was undertaken as part of Internal Audit programme.

The purpose of the audit was to provide assurance that effective governance and management arrangements have been established in respect of the approval and expenditure of funds allocated from the ICT Fund.

1.2 Background

An E-Commerce and Information Communications Technology Fund, now referred to as the ICT Fund, has been established by the Treasury with effect from 31 March 2000. The purpose of the ICT Fund is to provide additional funding to meet the cost of ICT initiatives, providing funding for the setup and development of (Corporate) ICT projects with no funding for ongoing operational costs.

In January 2009 Treasury approved funding from the ICT Fund to finance ISD’s ICT development plan for 2008/09 in the sum of £5.73m and for 2009/10 in the sum of £3.43m.

A paper submitted to the Service Transformation Group [STG] in June 2010 by the Director, Information Systems Division, Department of Economic Development confirmed that the carry-over from 2009/2010 was £11.3m, and provided a breakdown of the proposed 2010/11 ICT Fund expenditure as follows:-

<table>
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<th>Departmental ICT Fund bids already approved;</th>
<th>£651,949.</th>
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<tr>
<td>- DoEC Database</td>
<td>£398,340</td>
</tr>
<tr>
<td>- AGs Legislation Online</td>
<td>£ 46,796</td>
</tr>
<tr>
<td>- DSC House Purchase Assistance Scheme Loan System</td>
<td>£139,000</td>
</tr>
<tr>
<td>- DoI Planning Online</td>
<td>£ 41,313</td>
</tr>
<tr>
<td>- Comms Commission Strategy Review</td>
<td>£ 26,500</td>
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Departmental ICT Fund bid (1 June 2010) £185,252

- DoI Open Contractor £185,252

ISD Sponsored ICT Fund bids (1 June 2010) £4,025,000

- Security Services £105,000
- Data Centre & Network Services £360,000
- Desktop Services £410,000
- OneMann [online services, portal migration, one stop shop] £2,000,000
- EDRM £650,000
- CRM £400,000
- Programme Management/Strategy £100,000
The Business Change Steering Group has issued Terms of Reference to the Service Transformation Group [STG] which has been established by authority of the Council of Ministers, minute number 572/08 30th October 2008.

Under the terms of reference the STG Steering Group is to provide a co-ordinated approach to business change to ensure a cohesive implementation of ICT change and Government service delivery. The objectives of the Group are:

- To review significant ICT enabled change requests submitted to the Information Systems Division (ISD), Treasury, ensuring they are aligned with the aims and objectives contained within the Government’s strategic plan. The Group is also responsible for determining relative priorities in respect of ICT enabled change requests.

- To review applications for funding from the ICT Fund, in accordance with approved guidelines and criteria and to determine the outcome of such applications accordingly.

- To monitor and report on progress of the Business Change Programme and related projects.

STG is documented as having responsibility for approvals for funding from the ICT Fund and for monitoring and reporting on the progress of projects, however, ISD have established a project management methodology which provides a framework under which ISD approve, monitor and report on ICT initiatives and projects.

1.3 Scope

The scope of our work was determined through an initial discussion with the Business Change Manager, Chief Secretary’s Office and an initial assessment of his concerns.

In assessing the concerns it was agreed with the Business Change Manager that the audit review would be structured to confirm that the purpose of the ICT Fund was clearly defined, that a system was established to record expenditure, that responsibility for the approval of funding from the ICT Fund was clear and that a process had been established to approve applications for funding. Finally, it was agreed that the audit would review the procedures put in place to approve, monitor and report on ICT projects and expenditure.

This review has not considered the Treasury Budget Rebalancing Opportunity [BRO] process and no observations are made concerning the current detailed scrutiny of ICT programmes and projects in that process.
1.4 Opinions

The range of opinions that we provide on the adequacy of the control framework in the area that we have reviewed are as shown below. The first two are positive opinions, whereas Limited Assurance is a negative opinion. The opinions are to assist management in assessing the degree of reliance that can be placed on the controls in place.

<table>
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<tr>
<th>Overall Opinion Level</th>
<th>System Adequacy</th>
<th>Control Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substantial Assurance</td>
<td>Robust framework of controls ensures objectives are likely to be achieved.</td>
<td>Controls are applied continuously or with minor lapses.</td>
</tr>
<tr>
<td>Adequate Assurance</td>
<td>Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger.</td>
<td>Controls are applied but with some lapses.</td>
</tr>
<tr>
<td>Limited Assurance</td>
<td>Risk of objectives not being achieved due to the absence of key internal controls.</td>
<td>Significant breakdown in the application of controls.</td>
</tr>
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</table>

1.5 Overall Conclusion

1.5.1 Taking account of the issues identified in paragraphs 1.6 to 1.7 below, in our opinion the control framework for the area under review, as currently laid down and operated, provides limited assurance that the achievement of the ICT Fund’s objectives are adequately managed and controlled.

1.5.2 Whilst the evidence indicates that the funds drawn down from the ICT fund have been expended on programmes, projects and initiatives related to the areas highlighted and approved by Treasury, the controls surrounding access to the fund require significant improvement through the instigation of a solid gateway between ISD & departments and STG. This could be provided probably most effectively by the Business Change Manager, Chief Secretary’s Office.

1.5.3 Although the purpose of the ICT Fund is adequately defined and has remained consistent throughout the documentation reviewed in this audit, there is clearly a need to develop a strategy to remove the reliance on the ICT Fund for the provision of revenue funding for ongoing ICT activities. The documentation clearly states that funding is not to be provided from the ICT Fund for ongoing operational costs and yet there is evidence to suggest that a significant proportion of operational costs have and are being covered by funding allocated from the ICT Fund for approved ICT initiatives. Given the current financial situation it is unlikely that the ICT fund will receive allocations to the same extent as it has been in prior years and without transfer of the ongoing commitment of funding for ongoing ICT infrastructure to departmental budgets, the fund will very quickly be depleted and its purpose will not be fulfilled.

1.5.4 Where ongoing ICT initiatives, including OneMann, EDRM/Recordsmann and CRM have been funded from the ICT Fund for 2008/09 and 2009/10, the use of the ICT Fund was approved by Treasury on the basis of a submission from Information Systems Division [ISD] in November 2008, and on the basis of further information confirmed by Treasury between November 2008 and January 2009.
In November 2008 the Treasury Minister noted with concern that the application for funding from the ICT Fund for 2008/09 and 2009/10 had been made late into the financial year to which the programme related and in respect of which significant expenditure had already been incurred by ISD. He also commented that the submission did not provide adequate detail concerning the ICT projects which it was proposed by ISD would be developed under the ongoing ICT initiatives. An ICT Fund Update provided by ISD to STG in June 2010 provided the same levels of detail for 2010/11 as the submission made to Treasury in November 2008. More detailed information is clearly required for STG to have an understanding of ongoing ICT initiatives and projects, to enable it to make informed decisions concerning the approval of funding from the ICT Fund. It was evident in both cases that a significant proportion of funds included in the application for funding from the ICT fund had already been incurred or committed.

Previously reliance has been placed on ISD for the provision of all detailed information in respect of the ICT Fund. It appears that whilst the detailed information has been held by and is available from ISD there have been difficulties with the communication of sufficient information to enable a meaningful overview to take place outside of ISD. Moving forward, to improve communication, it is recommend that a process is established whereby the Business Change Manager coordinates and submits to STG all bids for the allocation of funding from the ICT Fund. It is recommended that all ISD and departmental submissions should be made to the Business Change Manager and, with assistance, should provide adequate detail [including confirmation that ICT projects are supported by a business case] to permit STG [and where necessary Treasury] to make an informed decision about approvals. Clearly at present only ISD have a full understanding of the detailed projects included in the application for approval and some improvements in communications are now required. By changing the allocation of responsibility to a single individual outside of ISD, it should allow for a greater degree of interpretation before presentation to STG and will help to improve communication and to enhance the governance over the fund.

Where approval has been given in the past to the funding of ongoing ICT initiatives or programmes, including OneMann, EDRM/Recordsmann and CRM from the ICT Fund, the development of various department projects have subsequently been approved by ISD, working together with the relevant department, on the strength of the initial approval. Where the ICT initiative has been to deliver common services, for example, upgrades to the network infrastructure, ISD have determined and approved ICT projects on the basis of an ISD strategic framework [2008]. This generation of projects within a programme area, with some sub-projects becoming projects in their own right, or changing name after some time, further confuses and clouds the audit trail between expenditure and initial ICT approval.

However in line with the proposed change above, the Service Transformation Group should ensure that no prior allocations of funding from the ICT Fund are carried forward to 2011/12 unless they have been reviewed and approved at a project level by STG. In future the Business Change Manager should provide STG with information detailing "draw-downs" against the ICT Fund by departments before the draw-down of those funds by the departments actually happens.

It is important that Government and all departments individually, including Information Systems Division, produce an ICT Strategy and associated development programme for the ICT projects. In the absence of an ICT Strategy and development programme there is the potential that ICT development will not meet government's requirements, will fail to meet time-frames and will provide poor value for money. It also makes the judgement of whether a project should be allocated funding from the ICT Fund difficult if it is not...
It has been recommended in a separate internal audit report that an ICT Programme Board should be established to provide a forum for the discussion of Government and departmental ICT strategies and associated ICT programmes. Such a Board would be responsible for reviewing the ISD strategic framework [2008] against which ICT projects have been developed and funded by ISD from the ICT Fund. Perhaps consideration should be given to the allocation of responsibility for the production of a Government ICT Strategy and co-ordination of Departmental ICT strategies to the Chief Secretary's Office. It would appear that there would be sufficient common ground between this strategic role [currently quoted as a void filled by ISD] and the Transforming Government Strategy, for it to promote a joined up agenda for Government.

ISD have established a project management methodology which provides a framework within which a service investigation report, a business case and a project initiation document are completed for each ICT project, including ICT projects funded from the ICT Fund. The Business Change Manager is included in the circulation and approval of service investigation reports and he can be provided with access to ISD project folders to review detailed project documentation if required. ISD project folders include project plans and progress reports completed by ISD project managers. Financial reports can be produced by ISD showing project name, the allocation of funds, monthly spend and the balance remaining from budget allocations. Project cost reports can be produced using Reporting Services and details of transactions can also be confirmed. Treasury also maintain information concerning expenditure from the ICT Fund and liaise with ISD to confirm end of year ICT Fund allocations. However in future this authorisation for access to funds should be controlled through the gateway, i.e. the Business Change Manager.

While STG is documented as having responsibility for monitoring and reporting on the progress of projects, the ISD project management methodology provides a framework which ensures that the information required to monitor the progress of ICT initiatives and projects is maintained with sufficient detail.

It does not appear that the funding from the ICT fund for 2010/11 being expended by ISD has received approval from STG and needs to be obtained as soon as possible. However it is impractical for STG to retrospectively review the detailed project documentation [service investigation reports, business case etc] held by ISD for all of the previous Treasury approved ICT initiatives and ISD approved ICT projects. However arrangements should be put in place by the Business Change Manager to ensure that STG is provided with appropriate financial reports, project reports and project closure reports to review and approve expenditure from the ICT Fund at appropriate points. Priority must now be given to ensuring that the appropriate approvals are provided in time for budgetary decisions for the 2011/12 financial year.
1.6 Conclusion on the Adequacy & Application of Controls

Based on the evidence obtained, we have concluded that the design of the system of control is not sufficient to provide the organisation with an assurance in relation to the approval, monitoring and reporting on ICT initiatives and projects funded from the ICT Fund.

Chief Secretary’s Office response

The Chief Secretary’s Office agrees with the conclusions and subsequent recommendations of the report. It is clear that there is a significant amount of information available in respect of the ICT fund. What is less clear is the location and ownership of that information. The CSO is committed to making the allocation, expenditure and governance of the fund far more transparent than at present. This includes ensuring the alignment of the fund’s usage with political aims and objectives. It is apparent there are several key stakeholders who must be given comfort around the fund’s governance and use.

1. Political Members – the fund is designed to achieve a set of political aims and objectives. Members must be able to review the proposals for expenditure and be given comfort that the outcomes and deliverables of bids to the fund match those originally stated when the request was made.

2. The Treasury – the Treasury must be given assurance that public money is being spent within vires and in line with financial regulations.

3. ISD – ISD must know that money is available for expenditure to develop systems and architecture to meet the needs stated by the business.
The Treasury
Internal Audit Division

VALUE FOR MONEY COMMITTEE

INTERNAL AUDIT REPORT

ICT Consultancy
2010/215

1st March 2011

Isle of Man
Government
Relïys Ellan Vannin
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1 EXECUTIVE SUMMARY

1.1 Introduction

An audit review of the selection and management of ICT Consultants was undertaken as part of a Value for Money Committee audit programme which was agreed at a meeting held on 2 October 2008 [Minutes Ref. 36/08]. The control framework currently surrounding the selection and management of ICT Consultants includes the following:-

- FD 8: Tenders.
- FD 27: Information Communications Technology (ICT) Governance.

An audit of the “Use of Consultants by Treasury, Information Systems Division (ISD)” was completed in April 2009 as part of an Internal Audit work programme. The objective of the April 2009 audit was to provide assurance that the planning, management and use of external consultants by ISD was effective and to ensure that external knowledge and skills were directed to the areas where the greatest level of benefit could be gained and value for money achieved.

The April 2009 audit reported that the control framework for the area under review, as laid down and operated at the time, provided substantial assurance that risks material to the achievement of the Division’s objectives were adequately managed and controlled.

1.2 Scope

Noting the findings in the April 2009 audit report the scope of this audit has been determined through an initial assessment of the requirements of Financial Directive (FD) 25: Selection and Management of External Consultants for Non Capital Schemes, the risks to the achievement of value for money in using ICT consultants to deliver projects and the controls that we would expect to mitigate risk.

‘Consultancy’ can be defined as having two characteristics, first, individuals or companies are engaged to work on specific projects that are outside of business as usual, and there is an end point for their involvement. Second, responsibility for the final outcome of the project largely rests with the relevant department.

Where individuals or companies are required to deliver business as usual type operations the relationship may be regarded as “staff substitution” or “outsourcing” rather than consultancy.
1.3 Overall Conclusion

ISD's current organisational structure necessitates significant use of "consultants" to meet the ICT development needs of Government. Whilst there are many advantages to the procurement of resources and specialist knowledge, without proper control and consideration, it can potentially become very expensive.

There is no doubt that a great many projects are delivered successfully by Government utilising the resources of consultant. However, to fully maximise the value for money from the use of the resources procured from consultants and to address some risk issues, a number of improvements are required.

**ICT Strategy and Resource Planning**

In order to understand, prioritise and resource Government's requirements for service improvement and change projects it is vital that these are recorded in a form which allows effective communication. The common method used to convey these requirements is through an ICT Strategy. The majority of departments [pre-April 2010 organisation] have not fully developed an ICT strategy and the strategy for government requires review in light of the budgetary rebalancing. Each ICT strategy needs to be backed-up by a medium term programme of projects, linked to the strategy, identifying the volume and type of resources required, i.e. ICT specialism, general project management...etc.

There is a need for a body, perhaps the Strategic Transformation Group, to oversee the development of these strategies and associated delivery programmes, to ensure that there is sufficient understanding of what is being proposed. Once there is an understanding of what is likely to be required over a defined period, a view can be taken on the type of skills and resources that are likely to be needed, whether these are available within the departments and the level of service likely to be required from ISD. Where there are scarce resources, a judgement can also be made on the prioritisation of projects.

If there is alignment and agreement over the projects to be delivered at this stage of the project, delivery should be streamlined as decisions and discussions around the scope of the projects will have already been determined as part of the ICT strategy development. There will be no need for consideration of the broader application of systems being delivered by projects at the Service Investigation Report (SIR) stage of the project. For example the potential for cross government application of the projects being delivered will be considered at the time when the strategies are compiled and approved and there will be no need to consider the opportunities at the project initiation stage of each project and as such this should reduce the costs of research.
The strategy development will also allow the ICT programme board (STG?) to consider the risks and benefits associated with Government’s ICT Security strategies and its implications on the scope and operation of systems.

Procurement and reliance on contractors

The current mechanism for procuring ICT consultants means that there is a potential lack of overall competition and therefore competitive pricing. This is because of the way some framework agreements have been applied under an FD8 waiver, with contracts for individual projects being allocated to a supplier with no requirement for further competition. ISD maintain that this is primarily due to the lack of Isle of Man based providers with the skills and resources necessary to meet the needs of Government. It is clear that there are two dominant suppliers on the island however, strategic options for increasing competition between suppliers working under framework agreements must be considered when the framework agreements are reviewed in 2010/2011 (the end of a four year agreement).

It can be argued that long-term relationships with consultants can be beneficial because over time a greater understanding of the business and its requirements are developed by the consultants. However where consultants perform a role for too long, they may also lose their independence, accountability may become blurred, and Government may become overly dependent on them, failing to develop suitably qualified and experienced internal staff. Although this audit has considered the use of ‘ICT Consultants’, the way in which the existing ICT framework agreements have been applied by ISD to deliver business as usual type operations, suggests that some relationships should perhaps be regarded as ‘staff substitution’ or ‘outsourcing’ rather than consultancy.

Research indicates that where a business relationship has become one of long-term staff substitution, it may be appropriate to review current staffing roles and responsibilities to identify any opportunities for the reassignment of staff under more cost effective terms and conditions. Given the current relationships Government has a considerable reliance on the two contractors identified above. It may be argued that the likelihood of business failure for either is remote, nevertheless it is always a possibility. Companies can also adjust their operating strategies and this can bring with it a change to operating policies which could be detrimental to Government.

Strategically there are two ways in which the reliance could be reduced.

- Firstly by developing skills to allow all, or a portion, of the ‘outsourced’ service and/or some of the more regularly occurring skills requirements to be delivered in-house.
- Secondly through developing competition.

These options need to be considered when planning the future structures of
ISD and when looking at forthcoming procurement options. Indeed given ISD’s move to the Department of Economic Development, a strategy could be developed to allow smaller suppliers onto the delivery framework to allow the development of a greater pool of skills and delivery capacity on the island, even if this has a marginal cost implication.

In the past the COMIN headcount cap and a lack of capacity has been used as one of the justifications for using ICT consultants. Better value for money might be better achieved though, by an increase in the headcount at ISD, either through recruitment or through a reassignment of suitably qualified and experienced departmental staff. In light of the restructuring of Government and the budgetary rebalancing exercise it may be an ideal opportunity to identify suitable officers and, with retraining where appropriate, use them to supplement or replace the contracted resource.

**Skills Assessment and Resourcing**

IOM Government’s Procurement Policy advises that to minimise costs the utilisation of existing internal resources across all of Government should be maximised before considering procurement action. Therefore, before departments and ISD seek to engage external resources, the departments need be clear about the reasons why it is necessary to do so. The possibility of using appropriately qualified and experienced officers from within Government should be fully investigated and the reasons for arriving at the decision to use external resources documented. The analysis of the required skills and level of resources should fall out of the departments’ ICT Strategies. This should clearly differentiate between ICT specific skills and process analysis and process redesign skills. These are two distinct skills and projects can often fail to deliver a maximum level of return due to the absence of either or both skills.

ISD have commented that there are no suitably qualified and experienced “in-house” resources available to be able to support the effective and timely delivery of ICT projects. However this needs to be investigated further and it must be considered that an investment in project management and business analysis training might be warranted given the apparent expenditure on staff substitution.

With a longer term view on the projects likely to be delivered by the departments through the ICT Strategies and programmes, strategic decisions can be taken on whether a pool of in-house project managers could be located within departments or via shared resources perhaps managed by ISD.

**Project Ownership**

Recent National Audit Office research has shown that the further removed someone is from the decision to use consultancy the more likely they are to feel confused about project responsibilities and accountabilities, frustrated because they don’t know what consultants are doing and to complain about poor communication and involvement. There is thus a greater potential that
ultimately ICT development will not meet service requirements and will fail to meet time-frames, wasting available resources and providing poor value for money.

The findings from this and other recent IT audits has indicated that the detailed requirements of the ICT Guidelines are not widely known to departmental staff involved in the delivery of ICT project. In some cases it is apparent that this has led to the assumption that FD27 requires that all project related work to be progressed and indeed projects to be effectively owned by ISD, when very clearly the responsibility for the delivery of the projects, and hence the use of the consultants, rests with the Department. It is acknowledged that ISD have been filling a void and taking a very active, possibly too active, role in the overall management of projects, with departments in some cases being all too willing to pass as much responsibility over to ISD, and hence the consultants, for project delivery as they can. A common problem appears to be a lack of definition of the departments needs, with consultants having to work very hard to ‘extract’ these; again this would be addressed through the development of ICT strategies.

Department staff who are involved in the delivery of ICT projects need to be made fully aware of the ISD ICT guidelines and of their roles and responsibilities in the delivery of projects. For example, the ICT Guidelines provide the flexibility for certain project management stages to be fast-tracked where it is considered appropriate and for departments to undertake some of the project work in-house where they have suitable resources available. There is clearly a requirement for ISD to provide departmental staff with a briefing and/or training in relation to the application of the ICT guidelines.

The ISD project management methodology as currently implemented places a responsibility upon ISD to monitor progress and to review and evaluate consultants’ work. Noting that ISD also assign ICT project work under a framework agreement, check and pay invoices submitted by consultants, review project closure reports and in some cases also manage business change. There is the potential that accountability for any failure to meet business requirements, failure to meet time-frames and for wasting available resources and providing poor value for money will be unclear; clearly these tasks relating to individual projects need to be undertaken by the departments, with ISD reviewing the quality of the contract overall.

Value for Money?

It is not possible to make an overall assessment of the benefits that have arisen from the money spent on ICT consultancy, in part because departments have rarely collected information on what has been achieved by projects. The completion of post implementation reviews will provide better information
concerning the realisation of benefits and value for money. However, clearly given the comments above there are opportunities to reconsider the way in which the services are delivered.

Management Responses
Management responses from ISD, to the specific recommendations in the report are included in the action plan in section 2 below.

Comments received from the Chief Secretary as shown below.

ISD have indicated that many of the actions required to implement the recommendations are ‘ongoing’, the commitment for the Business Change Steering Group to review the current ICT policy and FD27 will help to address many of the issues that have arisen.
Response of the Chief Secretary to the findings within this report

There is clearly a difference in perception between ISD and the rest of Government about the use of Consultants – there would appear to be a defensiveness in the comments from the Director of ISD which, although natural, fails to address the fundamental problems highlighted in the report that, whilst almost everyone is happy to acknowledge that individual pieces of work have been done well, both by consultants and ISD, there is also a general feeling of unease that the projects have been controlled by ISD and the consultants, sometimes with significant cost to the business for consultancy time. ISD would assert that the business does not specify with sufficient clarity what it wants – ie that it is not an “intelligent” client – and therefore ISD must drive the project forward. The business would assert that there appears to be few other options than to use the consultants and that due to the current governance processes, the task of gathering even seemingly simple business requirements becomes ever more complex and time consuming, adding value only to the consultants who benefit inadvertently from this drawn out process by the very fact that they are paid at a daily rate.

I would be the first to acknowledge that ISD has greatly enhanced the services provided across Government and that the ICT Policy provided a much needed level of governance which was necessary to bring together the Government infrastructure. However it appears that both the policy and FD27 are now due for review. I would therefore suggest that the current ICT policy and FD27 need to be reviewed by the Business Change Steering Group and that if necessary, both the policy and FD27 are amended to reflect the current needs of the business. Following on from this review, it would appear sensible that the Group or one of its designated officers be the appellate body for interpretation of the policy. It would also seem sensible to also review the method of providing business support in respect of project and change management and business analysis to understand how this process could be better owned by the business.

It is apparent that ISD do have systems in place to monitor and control project expenditure and to show allocations from the ICT fund. It is unfortunate that this information has not been disclosed voluntarily on a regular basis to either the Business Change Manager, the Service Transformation Group or the Business Change Steering Group. It is not a defence to say that it was not asked for. I would therefore suggest that such information is made available at regular (monthly) intervals in such detail as the recipients require.

The Transforming Government agenda is putting together a central team which will be an “intelligent” customer and which will determine priorities in accordance with Council of Ministers policies and determinations. It is important that all of the information available to ISD is made available to that team and that the review of ICT Policy and governance has input from that team also.
APPENDIX 4
Public Accounts Committee: Government IT Provision

1. The general protocols adopted in respect of consideration of IT projects for Government Departments

i. The general protocols and policy adopted by the Information Systems Division (ISD) in respect of consideration of IT projects for Government Departments are:
   • Isle of Man Government ICT Policy, as confirmed by Council of Ministers (October 2007)
   • Financial Regulations including:
     ➢ FD8 - Tenders
     ➢ FD25 – Selection and management of external Consultants for non capital schemes
     ➢ FD27 - Information Communications Technology (ICT) Governance
   • ISD’s Management System Methodology describing the project process and providing guidance and templates.

ii. ISD’s Management System Methodology embraces a wide range of ICT procedures and guidance, however, in the context of this question the relevant items are:
   • The development of a Departmental strategy for the use of ICT to support business goals and objectives
   • The process for submission of a service request, describing a new or revised requirement for the provision of ICT services or software.

iii. On receipt of such a service request from the business the first step is an assessment by ISD Programme Office of the benefits of following either the full two stage process:
   • An initial analysis of the request, its effect, any implications and an estimated cost to carry out a detailed definition of the requirement
     ➢ At this stage a report is produced - a response to the request (Service Request Response);
   • A detailed analysis of the requirement, investigation of options and recommendation of a solution. This incorporates: the analysis of the business case; proposed costs of the project; links to Business plans; scope; risks; identification of roles and responsibilities; plan and appropriate project governance.
     ➢ At this stage a report is produced - a report from the investigation (Service Investigation Report);
   or of following the single stage “fast track” process:
   • A combination of the key elements of the above analyses
     ➢ At this stage a report is produced (Fast Track, Service Investigation Report)
iv. These documents are reviewed and approved by the Project Review Board. Membership of the Board includes, ISD technical representation, Treasury Internal Audit Division, Chief Secretary’s Office and the political member responsible for the Department of Economic Development, ISD.

v. Each Service Investigation Report identifies how the project will be funded, from either a Department or the Central ICT Fund. Once the Service Investigation Report and funding is approved the project will be initiated and progressed.

2. Whether those protocols are different for larger projects

i. The protocols described above are also utilised for larger projects within ISD, however, based on the value and recommended approach for implementing the requirement, the project governance would be scaled, for example to undertake a full procurement (FD8 - Tenders). Any contracts established following a procurement exercise are negotiated with the assistance of the Attorney General’s Chambers.

3. What procedures are in place for the purchase of IT equipment

i. The procedures adopted by ISD for purchase of IT equipment reflect the following protocols and policy:

- Isle of Man Government ICT Policy, as confirmed by Council of Ministers (October 2007)
- Financial Regulations including:
  - FD8 — Tenders
  - FD14 — Financing of Expenditure
  - FD25 — Selection and Management of External Consultants for Non Capital Schemes
  - FD27 — Information Communications Technology (ICT) Governance
- ISD’s Management System Methodology describing the project process and providing guidance and templates
- Value for Money Committee scrutiny

ii. Provision of Personal Computers, Laptop Computers, and commodity servers across Government are subject to Government’s Procurement, Installation, Support and Maintenance (PISAM) framework agreement, established by competitive tender in 2004 for a 5 year period, and extended for 1 year to October 2010, with authority from treasury. A full competitive PISAM II tender process is currently underway.

iii. Provision of Telecommunications equipment across Government (including mobile and fixed telephones) is subject to Government’s Connect Mann managed service
framework agreement with Manx Telecom, first established in 2004 by competitive tender, and re-established as Connect Mann II in 2009 following competitive tender.

iv. Provision of Data Centre equipment for Government was the subject of a competitive tendering process in 2005 and was authorised by Treasury. Subsequent disk storage upgrades were procured via the primary data centre supplier (Unisys) and authorised by Treasury in early 2009. ISD are currently considering strategic options for the Data Centres for the next 5 years and will follow appropriate process.

A W Paterson
Director, Information Systems Division
10th August 2010
To: Members of the PAC Sub-Committee on Government IT Provision  
From: Allan Paterson, Director, ISD

ISD EXPENDITURE ON CONSULTANTS

With regard to the request from the Clerk to the Public Accounts Committee, received on 8th February 2011, I attach as Appendix I a spreadsheet of relevant expenditure to date this year with brief explanation of the nature of the services provided. This spreadsheet shows expenditure on individual suppliers over £25,000 in the current year. A small number of suppliers exist below that figure but have been omitted for the sake of brevity. I will be happy to provide further details of that group if required.

It is important to recognise that a significant portion of the resources utilised here are what the UK National Audit Office call “staff substitution” – in other words, recognising the finite headcount within ISD, then third party resources are utilised to meet variable business demand for systems development and support. These resources are procured and managed through framework contracts which were established on a fully compliant basis.

Other suppliers are included in this list where they provide specific business system software, chosen through a full procurement process in conjunction with the Department or Board involved.

It is also worth noting that ISD, supported by Treasury’s Central Procurement team, are currently going through a full re-procurement exercise for resources in these areas.

Finally, I would add that this is an area fully audited by Internal Audit and reported on in April 2009. Their finding was that “the control framework for the area under review, as currently laid down and operated, provides substantial assurance that risks material to the achievement of the Division’s objectives for this area are adequately managed and controlled”.

I will be pleased to provide further clarification for the Sub-Committee as required.

A W Paterson  
11th February 2011
### Appendix I - Computing - Contracted Support

<table>
<thead>
<tr>
<th>Name</th>
<th>ISD Funding</th>
<th>Departmental Funding</th>
<th>ICT Fund</th>
<th>Total</th>
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<td>APD Communications Ltd</td>
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<td>Rocela Ltd</td>
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<td>Griffiths Waite Ltd</td>
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<td>Central Software Ltd</td>
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<td>Star Computers Limited</td>
<td>£23,200</td>
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</tbody>
</table>

Technical architecture support; income tax & NI application development & support; OneMann project management & development; Legacy Application Migration project; project management and business change; implementation and support of EDRM & CRM

OneMann support & development; departmental application support & devel. Gov web site support & maintenance development of MNH Newspaper Digitisation system
2nd line support; project support; assistance with office moves

OneMann support & development

DEC Schools Database system

Vehicle Tracking system

Oracle application support

support and development of DSC Benefit Payments system
devolution of DSC First Time Buyers application
devolution of DH Digital Dictation system

Onemann/Online Services Baseline assessment
development of CRM

licencing for DH facilities management software (FACTS)

assistance with PISAM contract

office moves

DOI Harbours - Vessel Registration System
To: Members of the PAC Sub-Committee on Government IT Provision  
From: Allan Paterson, Director, ISD  

ISD EXPENDITURE ON 3RD PARTY SUPPORT  

As requested, following the earlier submission on 11th February 2011 of expenditure to date, ISD have now compiled a spreadsheet (attached) showing the full 2010-11 financial year’s expenditure on “consultants”. Total expenditure for the year was £5,587,062. The spreadsheet provides detail of expenditure over £25,000 with individual suppliers.

As noted in the last submission, it is important to stress that a significant portion of the resources utilised here are what the UK National Audit Office call “staff substitution” – in other words, recognising the finite headcount within ISD, then third party resources are utilised to meet variable business demand for systems development and support. These resources are procured and managed through framework contracts which were established on a fully compliant basis.

Other suppliers are included in this list where they provide specific business system software, chosen through a full procurement process in conjunction with the Department or Board involved.

It is also worth noting that ISD, supported by Treasury’s Central Procurement team, have now completed a full re-procurement exercise for resources in these areas.

I will be pleased to provide further clarification for the Sub-Committee when I attend on 26th May 2011.

A W Paterson  
12th May 2011
Appendix I - Computing - Contracted Support

ISD Expenditure on 3rd party support - 2010/2011

<table>
<thead>
<tr>
<th>Company</th>
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<th>ICT Fund</th>
<th>Total Expenditure</th>
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<td>£1,428,319</td>
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<td>PDMS</td>
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<td>Causeway Technologies Limited</td>
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<td>£26,520</td>
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<tr>
<td><strong>Full total (includes suppliers &lt; £25000)</strong></td>
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<td><strong>£2,092,386</strong></td>
<td><strong>£5,587,062</strong></td>
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</table>
ICT in Isle of Man Government

Public Accounts Committee
Sub-Committee 3
26th May 2011
Written Submission

“If I’d asked my customers what they wanted, they’d have said a faster horse.”
Attributed to Henry Ford, founder of Ford Motor Company

“People and their managers are working so hard to be sure things are done right, that they hardly have time to decide if they are doing the right things.”
Dr. Stephen R. Covey, author of 7 Habits of Highly Effective People

“IT in government is as difficult as it gets”
Ian Watmore
Formerly UK Government CIO, rejoined the Cabinet Office in September 2010 as a Permanent Secretary, taking on the role of Chief Operating Officer for the new Efficiency and Reform Group

Allan W Paterson
ISD Director
25th May 2011
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1 FOREWORD

ISD is pleased to have the opportunity to table an evidence based submission to the Public Accounts Committee (Sub-Committee 3) in its consideration of the procedures for dealing with Government IT systems, and the value derived, reflecting the efficiency and effectiveness of its implementation of Government policy.

ISD believes that its procedures and management systems reflect industry accepted good practice, and that in terms of the costs of IT, it can demonstrate continuing cost reduction.

ISD fully acknowledges that it does have weaknesses and can make mistakes at times. Management Systems are in place to learn from mistakes and seek continual improvement.

However ISD asserts that within the resources available, it has continued to work very effectively and efficiently in seeking to implement Government policy, both in terms of the original Jupiter programme, as commissioned by Tynwald in 2001, and the ICT Policy authorised by CoMin in 2003 which gave ISD clear responsibility to provide strategic ICT thought leadership and to take ownership in developing and managing the core technology infrastructure. CoMin also recognised the focus on Business Change required by Jupiter and the need to confirm that this means clear leadership and commitment from within the business community in Government.

The ICT Policy was reviewed and refreshed in 2007, again with CoMin authorisation (see 1.1 below).

A key challenge posed in some of the prior evidence to the Sub-Committee is about the value of using centralised common technology platforms. ISD respond to that challenge in stressing the resilience and robustness that comes from a common technology platform, common architectures, common re-usable components, consistent management processes which reflect good practice, planned technology refresh, etc. It cannot be stressed enough that diversity and lack of consolidated ownership leads to increased costs and increased risk.

ISD suggests that the challenge to deriving value remains fundamentally a business challenge as Government now has a robust, resilient, secure technology platform fully fit for purpose. In this context, the key questions for Government continue to be:

- "What is the value to Departments of core business systems?"
- "What is the vision for Transformed Government?"
- "What business resources does Government have to identify and lead that Vision, and what Political and Officer accountability exists?"
- "How do business benefits get driven out, and how are they measured?"

1.1 ICT Policy (confirmed by CoMin in 2007)

Isle of Man Government is committed to the use of integrated ICT for competitive advantage. Accordingly, Government will maintain a central strategic ownership of ICT technologies, process and data architectures, standards and governance, and ICT Production Services. This enables an overarching perspective of ICT and its contribution to the effectiveness and productivity of Public Service, as well as driving a more efficient cost base for ICT in Government.

**ICT will deliver for Government, working in close conjunction with key business areas where appropriate:**

- A single, consistent, integrated way of doing business with Government – "OneMann"
• A set of common services to be used consistently throughout core business processes, such as Electronic Payment engine, Document and Records Management and retrieval, and key KYC information integrated with User Enrolment and Authentication

• A cross Government set of best practice processes (known as enterprise solutions) including Management & Financial Accounting (Microsoft Axapta), Customer Relationship Management (CRM), and Human Resources Management.

• “One stop shop” – a walk-in centre where a wide range of services across Government can be accessed either electronically or with assistance from trained staff.

• Assist in identifying opportunity for Shared Services where a sustainable business case can be developed.

• Identified benefits, as appropriate to the individual business case, monitored through a Benefits Realisation model.

1.2 Transforming Government – Shared Services in IoMG

As the Transforming Government programme seeks to focus its deliverables and determine its action plan in order to support Government’s financial and service delivery challenges, a key thing to note is that, as a consequence of its work in delivering the ICT Policy, ISD already successfully functions as a mature shared service centre within IoMG – providing a single technology infrastructure across all areas of Government, providing the significant bulk of ICT support for business systems across departments, and driving key strategic programmes such as OneMann. The challenge as we move forward is to drive further cost out of ICT services for Government, as it has successfully done in the past – this will come primarily through continuing to utilise lower cost technology (Moore’s Law still applies) and effective procurement practices.

ISD has acted as a Shared Service centre for most of its life – initially with the provision of some limited Data centre capability and core applications such as Payroll, but growing apace from the original Magic programme which provided common e-mail and internet access facilities across Government.

The real growth in ICT Shared Service centre capability arose on the back of the ICT Policy established in 2003. This led to:

• Implementation of the Connect Mann network.
• Development of the resilient twin Data Centre capability (Hostmann) with a programme of convergence and consolidation of local server applications into the Data Centres.
• Growth of www.gov.im utilising a single architectural approach and content management system.
• Development of a consistent and cost effective desktop and mobile working infrastructure with support for remote access.
• Implementation of enterprise software applications and middleware.
• Implementation of on-line services (OneMann) as a single, consistent, integrated way of doing business with Government, utilising a set of common re-usable services such as User Enrollment and Authentication, payment engine, etc.

1.3 The size of ISD

The question has been asked previously as to whether ISD has outgrown what should be a reasonable size for an administration such as the Isle of Man Government.

Apart from the transfer of a small group of staff into ISD in 2005 at the request of DHSS, ISD headcount has until recently remained static for a considerable time. Yet, the complexity and range of new projects under development and production systems and services managed by ISD has grown considerably.
ISD Headcount at the start of F/Y 2011 was 68 FTE. As at May 2011, the headcount is now 63 (4 posts gone to Finance Shared Service, 1 post gone to Procurement Shared Service, and 1 post lost due to voluntary redundancy). It is expected that 4 further posts will be lost during 2011 with the proposed transfer of Printing Services to IoM Post.

A breakdown of staffing as at present shows the allocation to core roles within ISD:

![Staffing Breakdown Diagram]

It is worth noting that ISD Senior Management has c. 192 years of experience in ICT and / or Public Service.

Benchmarking has previously indicated that the cost of ICT provision in Government is lower than in comparable Government organisations worldwide.

1.4 ISD Revenue Budget

For information, the following table shows ISD’s Net Budget over the last five years, and provides a comparison to Government’s Budgetted expenditure over the same period.

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<tr>
<th>ISD Budget Estimate - Net (expressed in £millions)</th>
<th>Net Change over 5 years</th>
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<table>
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<tr>
<th>Government Expenditure Estimate (expressed in £millions)</th>
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<td>538</td>
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2 THIRD PARTY SUPPORT & STAFF SUBSTITUTION

The following table was previously provided to the PAC Sub-Committee. This shows ISD Expenditure (on behalf of Government) on third party support and services for the Financial Year 2010 / 2011.

### ISD Expenditure on 3rd party support - 2010/2011

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<thead>
<tr>
<th>Funding Source</th>
<th>ISD Revenue</th>
<th>Departmental Projects</th>
<th>ICT Fund</th>
<th>Total Expenditure</th>
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<td></td>
<td></td>
<td>£82,673</td>
</tr>
<tr>
<td>Rocela Ltd</td>
<td>£37,664</td>
<td>£25,704</td>
<td></td>
<td>£63,368</td>
</tr>
<tr>
<td>Griffiths Waite Ltd</td>
<td>£54,990</td>
<td></td>
<td></td>
<td>£54,990</td>
</tr>
<tr>
<td>Touchstone Ltd</td>
<td>£23,036</td>
<td>£19,454</td>
<td></td>
<td>£42,490</td>
</tr>
<tr>
<td>BigHand ltd</td>
<td>£30,670</td>
<td></td>
<td></td>
<td>£30,670</td>
</tr>
<tr>
<td>Socitm Consulting Ltd</td>
<td>£26,520</td>
<td></td>
<td></td>
<td>£26,520</td>
</tr>
<tr>
<td>Causeway Technologies Limited</td>
<td>£26,520</td>
<td></td>
<td></td>
<td>£26,520</td>
</tr>
<tr>
<td><strong>Full total (includes suppliers &lt; £25000)</strong></td>
<td><strong>£379,939</strong></td>
<td><strong>£3,114,737</strong></td>
<td><strong>£2,092,386</strong></td>
<td><strong>£5,587,062</strong></td>
</tr>
</tbody>
</table>

In passing, it should be noted that there is a substantive contribution to the IoM economy, both from c. £2.75M expenditure directly with on-island companies (Intelligence, PDMS, 2e2, and Central Software) and from expenditure with off-island companies which provide resources who either base themselves on-island or spend a number of bed-nights on-island.

The word "consultant" is often mis-used when talking about third party services used by ISD. In respect of the table above, there are a number of discrete components:

- Olive, Tribal, APD, Central Software, Griffiths Waite, Touchstone, BigHand and Causeway Technologies are all Application package providers and the expenditure incurred represent a mix of development and maintenance costs.

- Unisys, PDMS, Solidsoft, and Rocela provide a mix of bespoke application development and maintenance, and niche technology support.

- Socitm Consulting provided baseline assessment benchmarking support for the Transforming Government programme.

- Intelligence provide additional resources to ISD primarily in terms of Project Management and business change, as well as implementation of Electronic Document and Records Management.
and Customer Relationship Management. This is clearly "staff substitution" (as per UK National Audit Office definition) – in other words, recognising the finite headcount within ISD, then these high quality resources are utilised to meet variable business demand for systems development and support.

Selection of all the above 3rd party suppliers has been subject to appropriate procurement processes, supported as appropriate by Internal Audit and Attorney General’s Chambers. ISD have just completed a full retender process for Application Development and IT Management Services and are in the process of concluding individual contracts with each of the selected suppliers.

The simple answer to avoidance of staff substitution is a head count answer – however the use of staff substitution in this manner both addresses variable demand, and provides resilience in the event of illness, etc.
3 ISD SUPPORT TO DEPARTMENTS

Various questions arose in prior evidence as to the efficiency and effectiveness of ISD support.

3.1 PC support vs Apple Mac support

Whilst generic statements can be misinterpreted in this context, it is important to ensure that criteria for comparison is clearly understood and is fair. (The metaphor of comparing apples and oranges is almost too appropriate here).

The following table is indicative of the complexity of the support comparison:

<table>
<thead>
<tr>
<th>Comparative between ISD PC Support and DEC MAC support requirement</th>
<th>23/05/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC Core</td>
<td>31</td>
</tr>
<tr>
<td>PC Off the Shelf</td>
<td>717</td>
</tr>
<tr>
<td>PC Bespoke</td>
<td>253</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1001</strong></td>
</tr>
</tbody>
</table>

A further useful indicator of the complexity is the number and complexity of physical sites supported – in the full Government context, this is over 230, whereas DEC has just under 50 at the moment of which just under 40 will be Apple MAC primarily.

It is also worth noting that a recent review of recruitment adverts would indicate that an Apple Mac OSX developer resource would cost almost 50% more than a similar level of experience in a Microsoft Windows developer.

3.2 ISD’s HEAT help-desk system

ISD’s Help desk system, HEAT, is now around 15 years old and is in the process of being replaced by a modern system.

However, prior evidence suggested that users were unable to access and monitor progress of heat calls.

The reality is the following areas have the ability to use Heat Self Service to raise new calls, update existing calls and review calls. They can only see their own area’s calls.

DoI
Registries (General and Land)
Primary Care
Education
Water Authority
DED.

In practice, DoI (DoT) use it all the time. The others may use it to view but not raise calls. Registries were set up and last raised a call via HSS Nov ’08. Primary Care were set up and last raised a call via HSS Jun ’10. Education and Water are also set up.
3.3 Out of Hours support and business continuity

In terms of broad Business Continuity for ISD, the call out procedure as identified in the ISD BCP plan has escalation processes incorporating all of the senior management team - not just the CTO role – and all officers, staff and relevant key suppliers.

Day to Day Operational Support: consists of 08:30-17:30 as a standard, extended hours are funded by the Department; for example GP surgeries have a start time of 08:00. Where ever possible extend support costs are shared with other Departments. [It should be noted that ISD staff are typically present from 07:00 through to 21:30 and engaged on operational work]

Security: Perimeter has budget and automated support process for 24hrs x 365days cover. The Design criteria for Security is 99.99% availability.

The ConnectMann Network has budget and automated support processes providing 24hrs x 365days cover. The Design criteria for Network is 99.99% availability.

Data Centres: The preferred design of Services located in the Data Centre is to have auto fail over [on failure of hardware] and auto scale out for increasing demand. The Design criteria is 99.9% availability.

Services: Corporate applications, such as email or Internet Access, are designed to 99% availability.

Departmental applications and support levels are determined and funded by the Department and constrained by the age of the Software and the capability of the Software Supplier.

The most critical element of application support is provided by the relevant software supplier and any support arrangement has to be transparent to that requested from ISD, with clear process and procedures deployed and managed. That is, if an application requires 24x365 support then the contract has to be extended to the supplier and the costs met by the Department. The benefits of these "just in case" costs has to weighed against the risks and the decision funded by the Department. This process will be evidenced in the relevant Department/Division BCP plan

The majority of Incidents occurring in the IoMG Domain relate to an individual – desktop, phone, printer, “how do I...”, “can you change....”, “I need......”

Should a new service require 24hrs x 365Days support then this can be arranged and funded by the Department with the lions share of cost going to the application provider. This level of support for systems such as Noble's Hospital Medway patient administration system has not been not requested or subsequently funded by the DH.

However, in line with Hospital support practise both the CTO and another officer made their personal commitment to make them selves available 24x365 if the agreed processes and BCP plans were not adequate.

To date, 4 years have elapsed and no call has been made by Hospital IT to ask for assistance from the CTO or other officer that was not being managed by the process described above.

For DSC, formerly DHSS Social Services, 5 Calls were made for the Ri0 system caused by two deep-rooted problems.

- The Server hosting RiO had an intermittent micro code problem which resulted in failure every couple of months – solved by hardware supplier
• The application was configured in "debug mode" inducing application failure when linked to a software failure – solved by software supplier

Once identified corrective action was applied to the RIO system, the Service has remained stable.

3.4 HostMann Data centre strategy – convergence, consolidation, virtualisation, the cloud .....

Reasons for Server Convergence and Consolidation

Before 2005

• Management and ownership by departments/divisions/sections?
• multiple different operating systems – lots of different skills required
• servers spread across island
• servers hosting single applications utilising >15% of resources
• no standards for management (patching, location, backups)
• little or no resilience
• no hardware upgrade processes in place (e.g. Noble’s lost key services for c. 5 days whilst a new server environment was commissioned and built following failure of their old un-supported environment).
• number of servers growing at alarming rate
• servers located in inappropriate locations (on top of filing cabinets)

Vision
• Single operating system based on Microsoft
• Smaller skill set required
• Easier to get MS skills
• Convergence and Consolidation
• Better use of hardware resources
• Purchasing small number of large enterprise class servers is cheaper than continuing with commodity servers
• Easier to provide Business Continuity (less servers to replicate)
• Improved and auditable management processes
• Required to ensure continuity of service
• Certification provides continual improvement
• Dual Data Centre
• Enables resilience to be provided
• Managed technology refresh

To start with, co-hosting was the only option in a Microsoft environment as Microsoft virtualisation was not a mature solution. Co-hosting consolidation has increased the management around changes but caused delays as changes need to be implemented in a serial manner. ISD have recognised this and now also use virtualisation as a consolidation technique wherever practical.

The initial business case for HostMann identified up to 190 Windows servers that would need replacing over the next three years or so. Replacement costs for a commodity server were circa £10k (thus replace 190 servers = £1.9m, but with no resilience). Provision of the original twin datacentre HostMann equipment cost £1.78m which included resilience where required (SLA1).
A 2010 / 11 technology refresh of the HostMann environment currently being completed has generated further revenue savings of c. £1.04m over a five year period, as well as considerable energy savings, and managing transition of unsupported critical business applications into a supported environment.

A criticism in prior evidence was in relation to co-hosting of critical applications, such as Medway and Axapta. As a principle, ISD allocated resources on the principle of services requiring the same service level share hardware resources, thus reducing costs and management overheads. ISD acknowledge the concerns, although believing that the incidence of service loss of system A because of failure of system B has been minimal in terms of total availability. However, the introduction of Virtualisation now that it is a mature technology has reduced the risk to a point where the business should not be concerned.

A further criticism is made of planned but un-notified downtime affecting business critical systems. ISD strongly dispute that – considerable effort has been made into notifying CLOs around two weeks in advance of planned downtime, and giving them the opportunity to ask for deferral because of key business issues – this includes notification of Hospital IT staff. The only incident that affected the Hospital in this manner without due notification was in relation to maintenance on something else where there was an inter-relationship which was not previously recognised. Preventative steps have been taken to avoid recurrence.
### ONE MANN - ONLINE SERVICES – a key area for Government transformation

#### Total number of Logins by Month

The chart which follows shows on-line activity by service, with a dramatic rise in use of Employers' Tax submissions based on new functionality added this year (T37s, T9s & T14s).

#### May 2011

<table>
<thead>
<tr>
<th>Service</th>
<th>Client Base</th>
<th>Total Enrolled</th>
<th>% of base</th>
<th>Submissions</th>
<th>% by Agent</th>
<th>Total Payments Made</th>
<th>Total Payments Value (net of credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle Passports</td>
<td>316</td>
<td>84</td>
<td>26.6</td>
<td>16,250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agent Tax</td>
<td>3,361</td>
<td>291</td>
<td>8.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Tax</td>
<td>25,174</td>
<td>426</td>
<td>1.7</td>
<td>10,674</td>
<td>99.10%</td>
<td>14,408</td>
<td>£73,151,440.41</td>
</tr>
<tr>
<td>Employer Tax</td>
<td>4,094</td>
<td>1,142</td>
<td>27.9</td>
<td>40,393</td>
<td>23.04%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractor Tax</td>
<td>579</td>
<td>57</td>
<td>16.8</td>
<td>928</td>
<td>1.72%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Party Payer Tax</td>
<td>126</td>
<td>15</td>
<td>11.9</td>
<td>170</td>
<td>1.18%</td>
<td>2,129</td>
<td>(are nil)</td>
</tr>
<tr>
<td>Individual Tax</td>
<td>72,138</td>
<td>3,070</td>
<td>4.3</td>
<td>2,384</td>
<td>31.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agent VAT</td>
<td>137</td>
<td>115</td>
<td>83.9</td>
<td>27,302</td>
<td>64.26%</td>
<td>2,240</td>
<td>£64,200,183.44</td>
</tr>
<tr>
<td>Trader VAT</td>
<td>7,526</td>
<td>1,176</td>
<td>15.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31,850</td>
<td>£5,271,752.48</td>
</tr>
<tr>
<td>Rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,854</td>
<td>£1,349,522.02</td>
</tr>
<tr>
<td>Fishing Licences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>670</td>
<td>£50,117.00</td>
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<tr>
<td>Post Office</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>2,230</td>
<td>£75,283.57</td>
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<tr>
<td>Accommodation</td>
<td>106</td>
<td></td>
<td></td>
<td>8,195</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>6</td>
<td></td>
<td></td>
<td>68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>6,528</strong></td>
<td><strong>106,364</strong></td>
<td></td>
<td><strong>54,252</strong></td>
<td></td>
<td><strong>£144,098,298.92</strong></td>
<td></td>
</tr>
</tbody>
</table>
Monthly Submissions by Service
5 PROJECTS & GOVERNANCE

5.1 Project Governance — forms and procedures

ISD implemented a subset of the Prince 2 methodology (developed by UK Government and acknowledged as best practice), which is appropriate to the size and nature of Government on the Island, as opposed to the complexity of UK Government.

Whilst this does impose key controls and gateways, the methodology is demonstrably successful, as the annual Project metrics show:

<table>
<thead>
<tr>
<th>Year</th>
<th>active at start of year</th>
<th>approved during year</th>
<th>closed / completed during year</th>
<th>active at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-6</td>
<td>24</td>
<td>14</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>2006-7</td>
<td>20</td>
<td>23</td>
<td>12</td>
<td>31</td>
</tr>
<tr>
<td>2007-8</td>
<td>31</td>
<td>43</td>
<td>32</td>
<td>42</td>
</tr>
<tr>
<td>2008-9</td>
<td>42</td>
<td>59</td>
<td>31</td>
<td>70</td>
</tr>
<tr>
<td>2009-10</td>
<td>70</td>
<td>63</td>
<td>54</td>
<td>79</td>
</tr>
<tr>
<td>2010-11</td>
<td>79</td>
<td>51</td>
<td>13</td>
<td>117</td>
</tr>
</tbody>
</table>

Figures for 2010-11 indicate a lower completion rate during the year than in prior years. This reduction is to some extent a reflection of the amount of work actually being undertaken, the size and complexity of some of that, the difficulty in finding time for formal Project Closure, and the removal of the Project Office resource (transferred to Procurement Shared Service). ISD believe that in reality more Projects have been closed than the current figure.

In commenting on the increase in the amount of work being undertaken, it is important to note that although there may be some Departmental prioritisation (backlog queue management), e.g. with DH, there is little overall prioritisation – a task recognised as a role for Transforming Government and the Service Transformation Group.

ISD seeks at all times to keep the Project Methodology flowing at an appropriate pace, with no active unstarted backlog. ISD does review the full application of the methodology (for complex projects) versus a fast track approach for less complex requirements such as off-the-shelf PC applications.

ISD also note the amount of relatively unplanned restructuring activity that has taken place recently, ranging from restructure of www.gov.im to over 350 Government staff having already been relocated this year (with no cost for ISD resources).

The form templates used in the methodology are simple and straightforward. It is important to note that DH has extended the basic ISD Service Request Form to include additional information such as identification of statutory / legal requirements, availability of local project management resources, approval by Chief Operating Officer.

Given prior evidence, it is particularly interesting to note an e-mail from a Noble’s IT Department Business Analyst to ISD in November 2010 — “Have to say, having been on the Prince 2 course, I withdraw my "bureaucratic" comment in previous e-mail and have a greater understanding now of "Why?"
5.2 Shared Governance (ISD and its customers)

ISD seeks to ensure effective prioritisation and overall programme management as appropriate with individual Departments.

Thus regular minuted programme boards exist with areas such as DOI, DCCL, DEC, DED, and DHA. These are supplemented by Project Boards where appropriate, and a formal monthly reporting mechanism which recognises progress, change management, budget, etc.

In the specific case of DHSS, a clear structure was agreed and established with DHSS at a Departmental level, led by a Steering Group, chaired by either CEO, or latterly COO, existed throughout the life of the CCSS programme. This was supplemented by a cross Departmental Business Change Board, chaired by the Director of Information Strategy and Development, and a variety of individual Programme or Project Boards. This structure allowed DHSS to focus on strategy for the most effective use of ICT to support business objectives, and consequently prioritise the wide variety of requests for IT services arising across the department, reflecting funding and resource availability.

5.3 Project Managers – resource allocation

ISD’s ICT Guide, a document which has been shared with all Departments, indicates clearly the ISD methodology and associated roles and responsibilities.

Two key roles are those of Project Manager, who directs the day-to-day activities of the ICT Project resources, and works in partnership with a Business Manager, who is responsible for the specification of the needs of all those who will use the final product(s), for user liaison with the ICT resources, and for monitoring that the solution meets those needs within the constraints of the Business Case in terms of quality, functionality and ease of use. Jointly, they are responsible for delivering a product that is capable of achieving the benefits defined in the business case, albeit that the Business Manager has primary responsibility for delivery of the business benefits.

Project risk is substantive when the Business Manager is not identified or does not have adequate time for the role.

ISD do provide Project Management resources, but do not mandate that they must only come from ISD.

Thus, to focus on an example highlighted in prior evidence – the Infection Control system for Noble’s. This system had a Noble’s IT Project Manager. Although in evidence it was suggested that the project was started in June 2008, the business case was only sent for hospital budget approval in February 2009. The Project Manager’s Project Closure document is available, as part of the standard methodology, and indicated total budget of £99,216 for the project, and actual spend of £90,014, of which £74,155 is the cost of the ICNet software and development of the interface to the Patient Administration System (Medway). (This bears no resemblance to the cost figures indicated in prior evidence). In terms of Lessons Learnt, the only identified lesson was the recognition that interface testing to Medway took longer than anticipated. A follow-on action was identified in terms of agreeing and signing off a support procedure and escalation path.

The IT Project Manager subsequently moved elsewhere in Government, and ISD are concerned that support of ICNet was not recognised as an ongoing role by the Noble’s IT staff. This was highlighted on 13th May 2011, when Dr Wardle wrote to ISD because of a problem with the Development area of ICNet suggesting that ISD were directly responsible for the problem. Immediate investigation by ISD has resolved the problem, identified that ISD were not directly responsible for the problem, and suggested that there was no effective ownership within Noble’s IT resources since the original PM’s departure and no effective support role established by the Hospital with ICNet, the supplier.
Whilst mentioning one example highlighted in prior evidence, it is worth commenting on another — the development of the Pupil database for DEC. It is valid to note that this project has taken just over 3 years from the original service request to the provision of a live environment for DEC to start using — there are three key elements to recognise in the delays here:

- Significant delay following supplier selection waiting for site visit by DEC staff.
- Significant delay in agreeing contract with the preferred supplier, Serco, which ended up with Serco pulling out of this particular education sector entirely.
- Significant delay in establishing the technology environment for the chosen product which followed the agreed decision to encompass all DEC activity within a specific DEC Domain — however this was substantially delayed because of lack of clarity as to the key requirements of IoM College which was seen as a key driver for the DEC Domain.

Other successful examples of in-Department Project Managers are Gaye Miller in DSC, and David Kirton in DoI.

5.4 Business Systems development — Help, make or buy

A continuing discussion is whether to use bespoke development or to purchase commercial off-the-shelf software. Currently, the approximate balance supported by ISD is c. 700 off-the-shelf, and c. 250 bespoke software applications. In part the decision as to whether to use package or bespoke is down to the complexity and clarity of the business requirement, the joined-up nature of key information supported by the business process, and the compliance with technology and architectural standards.

The preferred solution is to utilise “off the shelf” solutions as much as possible, be they low cost desktop items or medium cost Applications, the most expensive is "bespoke".

All products have to be tested for compatibility and supportability issues, the most invasive and problematic packages are those which interact with the Network, Keyboard or Screen.

ISD’s packaging process overcomes these issues and presents a supportable platform whereby the issues of ten years ago are reduced and result in a desktop that fails can be replaced inside of one day and new desktops targeted to be deployed inside of three days with ALL selected packages installed and working. Ten years ago the equivalent, available processes took between 1-6 weeks. This strategy demonstrated its success in the ultimate test when markwell House was flooded causing significant damage to the IT infrastructure, yet Officers were capable of working elsewhere within the morning of the event, and Markwell House itself was returned to full functionality with a brand new IT infrastructure (desktop PCs, etc) within a week.

ISD are currently considering whether further economies of scale can be gained by standardising on selected solutions to common business needs, whereas today, for historical reasons, there may be several package applications serving common functionality.

ISD also see real opportunity for value in using common enterprise middleware such as electronic document and records management, customer relationship management, etc., with a view to solutions being implemented through configuration of the standard application rather than bespoke development.

5.5 Managing the Web

ISD continues to promote the use of a single framework for all aspects of www.gov.im. However there are clear differences between content management and the broader framework issues such as style sheets.
Recognising prior evidence, it is important to explain that the Department of Social Care (DSC) have a website hosted within the Gov.im framework, utilised and managed on a daily basis by editors across all Government Agencies, and part of a community of over 300 editors who are supported in managing their websites by the E Services Web Support Team within ISD.

**Content Management Capability in the Department:**
Currently the DSC website content is still split into 3 separate areas of content, Housing, Security and Services. The following are editors for their respective areas:

<table>
<thead>
<tr>
<th>Division</th>
<th>Editor Group</th>
<th>Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security</td>
<td>Social Security Administrator</td>
<td>Jason Torr</td>
</tr>
<tr>
<td>Services</td>
<td>Social Services Administrator</td>
<td>Brett Taylor</td>
</tr>
<tr>
<td></td>
<td>DSC News and Events Editor</td>
<td>Gerry Pishvaie</td>
</tr>
<tr>
<td></td>
<td>Social Services Editors</td>
<td>Ben Scott</td>
</tr>
<tr>
<td>Housing</td>
<td>DLGE Housing</td>
<td>Kenny Valerga</td>
</tr>
<tr>
<td></td>
<td>Housing</td>
<td>Noreen Quayle</td>
</tr>
</tbody>
</table>

Each editor has responsibility for their own areas of knowledge within the Department's overall website.

Jason Torr and Brett Taylor have been Web Editors since 2003, they are both fully competent in terms of content management and editing, and undertook the same areas and roles when part of DHSS prior to DSC becoming a separate website.

Gerry Pishvaie is relatively new to content editor, she was fully trained earlier in 2011, and currently only uploads "News and Events" for DSC as the Media Officer for the Department.

Ben Scott has been a Social Services editor for several years.

Kenny Valerga was the main DLGE editor then moved into solely DSC Housing. He supports the Housing content thoroughly and has picked up editorial support with Noreen Quayle, who has been using an active web editor for several years.

**Capabilities of the Content Management Framework:**

*Department Activities:*
All bar the newest of the DSC Editors have access to full editors rights to undertake content changes on all of the following aspects:

- Upload / Edit Documents
- Upload / Edit Images
- Create News
- Edit Contact Details
- Create Consultations
- And full editor rights on the XML content pages which fall within their remit, in effect to change any content on any of their pages.

*ISD Web Support Activities:*
ISD Web Support undertake, on DSC’s behalf, the following aspects:

- Create New Pages
- Edit or Move Menus and their Structure
- Create new Folders to hold Image or Documents
- Edit their Terms and Conditions
* Add Vacancies
* Create new Editors
* Train new Editors
* Support them when required.

* Please note that all time provided by Web Support is not chargeable to the Department.

**Development / Supplier Activities:**
All editors have been provided with a minimum of 2 hours standard Content Administration Training, and some have had further training on specific areas when required. All editors have also been provided with the handbook to support their learning. ISD Web Support Officers are available for assistance via Phone, Email and also have the ability to remotely into an officer's PC when assistance is required in “real time” to support editors.

Neither the Department or ISD Web Support can change the website Stylesheet, as this is a complex development activity which can only be undertaken by a development partner, PDMS Limited. Any stylesheet redesigns or changes are created through our support CR processes and then a quote is provided by the supplier to complete the change. This is then sent (when reviewed and approved by ISD Web Support) to the Department for them to agree the timescale and costs and provide an order number to cover same.

To the best of ISD's knowledge there haven't been any instances or concerns raised over editing or any content management difficulties raised by the DSC and all support matters have been progressed as expected. Development of new style sheets for the Department had been agreed and managed in accordance with normal operations without any concerns raised.
6 ICT COSTS

One of the challenges often made is that ISD costs rise without any real explanation. This section will demonstrate continual cost reduction at a unit cost level, i.e. a telecommunications circuit, a PC, etc. Generally that is also reflected in an overall reduction in cost to Government despite increasing take-up.

6.1 Telecommunication Costs

Mobile – (around 1000 users in 2004. Currently over 2500 sims on the contract)
Ave cost per user per year in 2004 was - £182.10 + call costs
Ave cost per user in new contract - £87.30 (on-island calls now included in core contract)

Internet – (started as 20mb in 2002 - 2003 now at 60mb.)
Cost per MB PCM 2004 - £267.27
Cost per MB PCM new contract - £138.88

PSTN (Call costs) – (over 6000 handsets currently enjoying free telephony)
Cost per user per year 2004 - £100.00 (all costs passed onto user)
Cost per user per year new contract - £28.00 (Call costs now included within the contract and not passed on. Excludes premium rate lines and non-geographic numbers)

Wide Area Network – (Connect Mann started life with 120 connections. Now up to 250 Connections under management)
Ave cost per link PCM 2004 - £439.16 (Mix of links 2mb 10mb 100mb 1gb)
Ave cost per link PCM new contract - £349.44 (Mix of links 2mb 1gb 10gb)

Local Area Network – (Costs under previous contract only included maintenance and monitoring. Most recent contract includes replacement of all equipment which is end of life, not only to the end of the contract but also a year beyond.)
Ave maintenance cost per site PCM - £308.86
Ave maintenance cost per site PCM new contract - £286.51 (includes LAN refresh at all sites as a revenue item. e.g. Nobles hospital LAN refreshed at £0 cost to Nobles which would have had a capital cost of £662,713.11 if it had not been included in the Connect Mann contract.)

Connect Mann has been reducing costs steadily whilst growing capacity and performance since inception. In the last three years Connect Mann has reduced by just under £500,000 per annum.

6.2 PC Pricing

Within the ISD PISAM Catalogue, ISD will typically offer around 6 PC base units, ranging from a low specification up to a high specification workstation (typically for areas like CADCAM). The table below shows price progression, as delivered to the end user for ISD’s standard user desktop. PC prices are regularly checked against alternative delivery channels to ensure IoMG is getting fair value.
6.3 Laptop Pricing

Similar to PC base units, ISD seeks to offer around 5 laptop models in the PISAM catalogue ranging from off-net mini laptops to high specification in order to meet different business needs. The table below shows price progression, as delivered to the user, for a standard laptop (medium usage - primarily office based with occasional home and away usage - not a "road warrior"). Heavy duty laptops are available within the PISAM catalogue at a higher price - DSC procured a mix of heavy duty laptops and mini netbooks in early 2010. Again, prices are regularly checked against alternative delivery channels to ensure IoMG is getting fair value.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of Laptop</th>
<th>Installation</th>
<th>Cost to Depts</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/08</td>
<td>£736.04</td>
<td>£99.87</td>
<td>£837.91</td>
</tr>
<tr>
<td>08/09</td>
<td>£789.71</td>
<td>£99.87</td>
<td>£889.58</td>
</tr>
<tr>
<td>09/10</td>
<td>£789.71</td>
<td>£99.87</td>
<td>£889.58</td>
</tr>
<tr>
<td>10/11</td>
<td>£433.28</td>
<td>£99.87</td>
<td>£533.15</td>
</tr>
<tr>
<td>11/12</td>
<td>£430.22</td>
<td>£99.87</td>
<td>£530.09</td>
</tr>
</tbody>
</table>

It should be recognised that additional costs may be incurred such as docking stations, software licenses, car chargers, etc.

6.4 PISAM and Magic recharges to Departments

Historically, two elements of recharge based on end users were applied annually to all Departments.

6.4.1 PISAM (Procurement, Installation, Support and Maintenance)

This was based on an inventory taken in 1997, at the start of the original ISAM contract. At that time the full cost of the contract (£480K) was divided between the departments who used IT, based on the amount of equipment they had. A weighting value was put on each type of equipment (PC weighting 2, printer weighting 5, server weighting 10) and a per item cost determined, for example

**Overall Cost Weighting**

- Total PCs 1500 - 1500x2=3000
- Total printers 500 - 500x5=2500
- Total servers 100 - 100x10=1000
- Total Weighting 6500
Example Departmental Cost
Number of PCs 30 - 30x2=60
Number of printers 5 - 5x5=25
Number of servers 2 - 2x10=20
Total weighting 105
Recharge to department 105 x £69.23= £7,269.15

Until recently, this method continued to be used, priced based on the 1997 inventory, subject to RPI. As the installed base grew, ISD picked up the shortfall between the cost of the contract and the amount recharged to departments. In 2009/10, Treasury agreed to cease recharging for the PISAM contract.

In terms of the cost to Government, the table below shows price progression for the base service.

<table>
<thead>
<tr>
<th>Year</th>
<th>Num Users</th>
<th>PISAM Cost</th>
<th>Unit Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>98/99</td>
<td>2000</td>
<td>£480,000</td>
<td>£240.00</td>
</tr>
<tr>
<td>06/07</td>
<td>4972</td>
<td>£806,250</td>
<td>£162.16</td>
</tr>
<tr>
<td>07/08</td>
<td>5442</td>
<td>£806,250</td>
<td>£148.15</td>
</tr>
<tr>
<td>08/09</td>
<td>5867</td>
<td>£828,588</td>
<td>£141.23</td>
</tr>
<tr>
<td>09/10</td>
<td>5921</td>
<td>£896,791</td>
<td>£151.46</td>
</tr>
<tr>
<td>10/11</td>
<td>5955</td>
<td>£801,016</td>
<td>£134.51</td>
</tr>
<tr>
<td>11/12</td>
<td>6000</td>
<td>£678,267</td>
<td>£113.04</td>
</tr>
</tbody>
</table>

(Note: 2011/12 is a forecast figure).

6.4.2 MAGIC (Manx Government Internet Connection)

The MAGIC recharge was introduced as part of a project run between 1999 and 2001 to introduce email and Internet access from the desktop to IOMG users. Prior to this there was no email available and Internet access was provided by off-network PC’s. As part of the approval for the project the Information Systems Strategy Committee dictated that costs should be recharged to departments on a per user basis. The charge was set at £124 per user and was to cover the cost of the provision of firewall software, e-mail packages and communications charges and would facilitate the provision of services to the pc including:-

- unlimited access to the Internet
- e-mail, fax and voice mail
- calendar and diary facilities
- provision of a WEB browser
- operation in a secure environment
- automatic virus checking, content control and encryption
- external access to Government information from laptops

This is done by identifying from Exchange all the users who have this facility. Charges are not levied on general mailboxes, resource mailboxes or training accounts.

This is charged on a per user basis and the amount per user has not changed since it was introduced in about 2000. Obviously the number of users has increased, but so has the resilience provided (single data centre to dual data centre), bandwidth to Internet (now up to 100mb), SPAM protection (taking out 69% of inbound mail – April 2011), centralised online fax solution, voice mail, unified communications (mobile and fixed), etc.
6.5 Microsoft Enterprise Agreement

This the core licensing agreement for a range of Microsoft software – it provides support and maintenance, and access to the latest level of software at any time during or at expiry of the contract.

It is a three year contract, introduced in 2003 and renewed with due authority each time it was close to expiry.

In 2003, the cost per user was £124 per annum.

In 2006, the cost per user (on a like for like basis) was £98 per annum.

In 2009, the cost per user (on a like for like basis) was £76 per annum.
7 ICT VALUE

As well as the methodology measures of project progress against budget and timescale, formal procurement processes, annual KPI measurement, etc., there are a number of other areas which are viewed as useful indicators of quality and value of LoMG's technology strategy and delivery.

7.1 Awards and nominations

- MVP – Thought Leadership (in Data Storage for Cloud Computing) – EMC World, Las Vegas – a global conference attended by c. 10,000 people, May 2011

- Energy Champions Award – Biggest Savings in the Public Sector, May 2011

- Isle of Man Awards for Excellence, November 2010

  The introduction of enhanced online tax services for individuals, delivered in partnership with the Department of Economic Development's Information Systems Division, took first place in the category for Public Sector Achievement of the Year. Minister Craine said the Award was richly deserved and recognition of the innovative approach, professionalism and collaborative working across the two divisions.

- Isle of Man Awards for Excellence, November 2008

  Government Online Services were nominated as finalists in the “Effective Use of Information Technology” category, with 2 other finalists. Making the final shortlist was a significant achievement and a recognition of the contribution to Government.

- Government Online Services Project named finalist in UK e-Government National Awards, January 2009

  Government Online Services Programme was also listed as a finalist in the UK's prestigious e-Government National Awards. The Programme was shortlisted in the “Central e-Government Excellence for Team Working” category. The awards highlight the most effective Government services which are improving citizen and business transactions with councils, central government departments and other public sector organisations.

  The organisers reported a record 588 entries into the awards which were the UK's highest level commendation for the best e-Government services and the Isle of Man Government had done well to get to be in the 68 finalists.

- Gold Medal Winner in the 2006 British Computer Society IT Professional Awards for Business Achievement based on the Connect Mann programme
### 7.2 Audits and Quality Certification

#### Scrutiny of Information Systems Division by Internal Audit

<table>
<thead>
<tr>
<th>Area</th>
<th>Assurance Level</th>
<th>Progress</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>RecordsMann</td>
<td>Adequate Assurance</td>
<td>Good progress</td>
<td>Jul-09</td>
</tr>
<tr>
<td>ISD Help Desk</td>
<td>Adequate Assurance</td>
<td>Reasonable progress</td>
<td>Oct-08</td>
</tr>
<tr>
<td>Network Management</td>
<td>Adequate Assurance</td>
<td></td>
<td>Jul-09</td>
</tr>
<tr>
<td>Use of Consultants</td>
<td>Controls: 8 - effective, 1 - not effective (with regard to Departmental Business Planning) Adequate Assurance</td>
<td></td>
<td>Mar-11</td>
</tr>
<tr>
<td>Project Methodology Review</td>
<td>Adequate Assurance</td>
<td></td>
<td>Mar-09</td>
</tr>
<tr>
<td>ISD BCP Audit</td>
<td>Adequate Assurance</td>
<td></td>
<td>Nov-08</td>
</tr>
</tbody>
</table>

#### Quality Certification – ISO 27001 - Information Security

<table>
<thead>
<tr>
<th>Area</th>
<th>Assurance Level</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRQA - Surveillance Audit</td>
<td>Evidence of continued effective implementation and operation with no non-conformities</td>
<td>Jul-09</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>Adequate Assurance</td>
<td>Apr-09</td>
</tr>
<tr>
<td>LRQA - Surveillance Audit</td>
<td>Evidence of continued effective implementation and operation of the Information Security Management System was provided</td>
<td>Jan-09</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>Substantial Assurance</td>
<td>Nov-08</td>
</tr>
<tr>
<td>LRQA - Surveillance Audit</td>
<td>Evidence of the continued effective implementation of the Information Security Management System was provided</td>
<td>Jul-08</td>
</tr>
</tbody>
</table>

#### Quality Certification – ISO 20000 – IT Service Management

<table>
<thead>
<tr>
<th>Area</th>
<th>Assurance Level</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRQA - Surveillance Audit</td>
<td>There is good top-down commitment to service quality</td>
<td>Jul-10</td>
</tr>
<tr>
<td>Red Island Consultancy</td>
<td>Exceptional diligence and success in transforming the Data Centre environment into a first class facility</td>
<td>Sep-09</td>
</tr>
<tr>
<td>LRQA - Surveillance Audit</td>
<td>Continued compliance with ISO20000 standard</td>
<td>Jul-09</td>
</tr>
<tr>
<td>Red Island Consultancy</td>
<td>Interim – Minor corrections required</td>
<td>Apr-09</td>
</tr>
<tr>
<td>LRQA - Surveillance Audit</td>
<td>Continued compliance with ISO20000 standard</td>
<td>Dec-08</td>
</tr>
<tr>
<td>LRQA</td>
<td>Certification Approved</td>
<td>Jun-08</td>
</tr>
</tbody>
</table>
7.3 Socitm Audit – Oct 09

Value for Money assessment of the strategy and arrangements for the provision of Information Communications Technology

Overall summary
The picture that emerges from this report is one of a very strong core IT function delivering an ambitious portfolio of change projects against the background of a siloed organisation that struggles to cope with change. That there are some customer service and performance-management weaknesses is a problem however these can be remedied through some fairly simple measures. The main barriers to delivering the wider Governmental change programme are ineffective governance and insufficient capacity/capability on the ground.

<table>
<thead>
<tr>
<th>Line of enquiry</th>
<th>Summary of findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does IoMG compare with other organisations in terms of its level of spend on ICT services and the value it obtains from them?</td>
<td>Based on our comparisons with Socitm’s published information about UK Shire Counties the IoMG’s revenue spend on ICT seems to be “about the same” as similar government organisations. This begs the question of how much value IoMG gets for the money it spends and this point is developed elsewhere in the document.</td>
</tr>
<tr>
<td>Does the ISD annual revenue budget covering day-to-day ICT services provide good value for money?</td>
<td>Notwithstanding concerns around the margins, the procurement arrangements for hardware, software and related IT services are consistent with best practice and this is verified, to a degree at least, by internal audit reports. This is compelling evidence that supports our general view that the ISD budget does provide good value for money.</td>
</tr>
<tr>
<td>Do Departments and Agencies get good value for money for the price they pay for day-to-day ICT services they receive?</td>
<td>There is no verifiable evidence to either support or contradict the question. ISD clearly needs to overhaul the way in which recharges are calculated and applied in such a way that they pass the Socitm test... “is there a direct relationship between the services received and the price that is paid for them and can the user/Department monitor and influence those costs” Based on the views expressed by interviewees, backed by our own assessment of the price being paid for the services being received by Departments/Agencies, we believe that they do get good VFM from ISD. Service quality is an important part of the VFM equation and it is to that that we turn our attention next.</td>
</tr>
<tr>
<td>Line of enquiry</td>
<td>Summary of findings</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Does the way that ISD delivers its ICT services provide good value (in comparison with best practice)? | Based on a combination of...  
- a comparison of ISD’s services with Socitm’s best practice framework  
- ISD’s own descriptions of the services provided  
- feedback from interviewees  

...we believe that ISD’s core services such as data centre, network, server/application availability, desktop services, and help-desk are of a high quality and provide good value. However, some of the “professional” services it provides such as customer contact, performance management, and service agility are less effective. This view is supported by the 2008 Audit review into the Help-Desk which found that, although the core service was adequate, there were a number of areas for improvement such as better feedback on fault-calls for users and less dependency on 2e2 (Isle of Man) Ltd. Reporting of ISD’s performance to Departments/Agencies is, with one or two exceptions, poor and makes it very difficult for them to assess the quality of service they receive and the value it represents to them. There is scope for establishing a governance group (possibly reporting to the IT Steering Group) with the specific purpose of receiving, monitoring and assessing IT performance reports. Its scope could be extended to screening and prioritising Service Requests and monitoring compliance with security, Freedom of Information, and other policies and standards. Departments would benefit by nominating a Divisional head as the Senior Responsible Officer responsible for liaison with ISD. There is a lack of hard evidence that will enable us to answer the question “do IoMG’s investments in new technology provide good value?” The truth is that no-one knows for sure. ISD and the Departments/Agencies have delivered many projects since 2004 under the Jupiter brand and, latterly, to deliver the 2007 strategy. There is evidence that individual projects are well managed for the most part and this should provide some comfort that the expected benefits have been realised. The initial phase of Jupiter was based around “a radical overhaul of the IT infrastructure to create an environment on which a range of new IT services could be delivered”. In our opinion, which is based on a comparison of the scale of investment made by ISD with Councils in the UK, this was important enabling work the costs of which were not excessive. We believe that IoMG (and not simply ISD) should put in place a more robust approach to benefits realisation backed by strong governance arrangements that will ensure that the delivery of the benefits is monitored and enforced. The model used by e-services and Income Tax would be a good starting point.  

Do IoMG’s investments in new technology in general, and e-services in particular, represent good value for money? |
Line of enquiry  | Summary of findings
--- | ---
Is the statement that "strategic Microsoft technologies is key to the transformation of services for the Isle of Man Government" justifiable? | Only one of the interviewees expressed the view that ISD is too wedded to Microsoft solutions and that this policy can distort decision-making in relation to Departmental software applications. On the other hand the majority of interviewees expressed the view that ISD's policy is difficult if not impossible to challenge, not only in respect of the use of Microsoft but in other areas as well. As we have indicated in other sections of this report we believe that the root cause of this friction is to do with communications between ISD and all levels of the Government and weaknesses in governance arrangements rather than the use of Microsoft products per se. The answer to this question is that Microsoft technologies are key to IoMG's IT services and that these services are in turn key to delivery of IoMG's transformation agenda.

7.4 Industry Press Reviews

- Isle of the private cloud – Guardian Public Sector – Government Computing, April 2011 – 1 page
- Isle of Man government in race to deliver IT with £10M annual budget – Computer Weekly white paper, October 2010 – 8 pages
- Isle of Man CIO praises benefits of standardisation – Computer Weekly, March 2011 – 1 page
- CIO Magazine – forthcoming, Summer 2011

7.5 Customer Feedback

A key measure for ISD is unsolicited customer feedback – generally this is from within Government, given that ISD do no directly provide external customer service, but rather are the "data processor" – however occasionally there is external feedback. The table below provides examples of the feedback received, and reflects mainly written or formal statements referring to the ISD services. The Departments identified reflect the current structure of Government albeit that the feedback may have been provided in the previous structure.

<table>
<thead>
<tr>
<th>CSO</th>
<th>Vista</th>
<th>Craine, Ann</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government House we have recently been upgraded to Vista. The changeover was managed well The staff at ISD have also been very helpful with our follow up queries.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CSO</th>
<th>Vista</th>
<th>Dan Davies</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>The build itself is excellent and the upgraded OS gives real extra confidence</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DCCL</th>
<th>ISD response to a heat call for remote working assistance..... &quot;Impressive customer service&quot;</th>
<th>CEO</th>
<th>2011</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DCCL</th>
<th>Vista</th>
<th>Callow, Paul (DTL)</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>The aftercare given was very beneficial helpful with addressing my concerns and were able to accommodate the DTL's needs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### DEC Asset management upgrade

I can confirm that K2 has been upgraded to version 1:1:90 and I am currently using it. I am very grateful to you, Fran and Elaine and probably a whole host of other colleagues for achieving this task today.

- **Office Manager**
- **DEC**
- **2010**

### DED

"There are no time consuming elements to MARIS, it touches every aspect of our business and as a system it is at the core of everything that we do."

Tangible benefits to the Registry include:
- Staff resourcing needs have decreased due to a reduction in the administrative work load which has reduced costs
- A significant reduction in manual errors, many of which previously occurred when data was transferred between different systems
- Considerable time savings, particularly in the generation of certificates and required documentation, much of which was previously produced manually.
- An improvement in auditing with an increase in transparency and accessibility
- Key data required for the IMO and Clarksons can be now generated and extracted quickly and easily from MARIS, allowing the Registry to be proactive rather than reactive
- Registration turnaround times have improved by over 50%
- Improved decision making due to better access to accurate management information

- **Dick Welsh**
- **2011**

### DED Work Permits Business Feedback:

"The Project Management from the ISD side was handled and expedited extremely efficiently."

- **Bill Bennett**
- **2010**

### DED Tourism — MGP

On behalf of the Manx Motor Cycle Club, I would like to thank your department for their assistance prior to, during and after the Manx Grand Prix --- Chris Swales, Angus McMahon and Richard Oliphant provided help and co-operation when ever required. Their expert knowledge and experience with the Racemann system is essential to the success of the Manx Grand Prix.

- **Bill Bennett**
- **2009**

### DED

I have been very impressed with the service received. Although not without the occasional hiccup, which is to be expected with a project of this nature, when things did not work as expected, all stops were pulled out and, in particular, the 2e2 guys made sure they stayed on site until all was fixed, irrespective of the time; being backed up by your team and always making sure that I was kept informed and that I was satisfied with the outcome; most impressive.

**As someone with over 25 years experience within the Service Industry, it is a refreshing change to be treated**
<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Off Island One Man Customer</td>
<td>Treasury Minister Anne Craine MHK in answer to Tynwald question. By breaking down a previously large single contract into a number of smaller contracts, the government also expects to see an annual saving in excess of £300,000. Cost savings.</td>
</tr>
<tr>
<td>2010</td>
<td>Office Manager</td>
<td>Just wanted to congratulate you guys on the great service you are providing for the Isle of Man via &quot;Online Services&quot;. I've used countless similar web services over the years, both private sector and public in several countries, and for ease of use, comprehensive service, site design and quality of execution, myGov.im is by far the best. Well done to all involved and keep up the good work. I hope to see more and more services provided through this portal in the coming years.</td>
</tr>
<tr>
<td>2011</td>
<td>Office Manager</td>
<td>Training on Recordsmann. Heather has given a lot of her time and patience in order that I understand the methods and practices required to ensure that all staff at Thie Slieau Whallian are eventually able to use SharePoint, on a daily basis, in the near future. Such progress in SharePoint wouldn't have been achieved without Heather's input and I feel that she ought to be commended for her efforts.</td>
</tr>
<tr>
<td>2010</td>
<td>Clinical Administration Manager</td>
<td>Fleet Mgmt - Momentum of the project was kept going by the regular ISD update meeting which enabled the project team to remain focused.</td>
</tr>
<tr>
<td>2011</td>
<td>Clinical Administration Manager</td>
<td>The digital dictation system seems to be working extremely well. Both doctors and secretaries are extremely happy with the system. Overall I feel it has been a success. the system is extremely simple to use and the secretaries do not want to go back to tapes ever!! The quality of the dictation is better. I was initially sceptical about the alleged 30% efficiency claim but this does indeed seem to be the case. No more lost tapes.</td>
</tr>
<tr>
<td>2011</td>
<td>Erica Kermode</td>
<td>Changes to remote access for DH user. Thanks to you and your team for the excellent, customer focussed, efficient and helpful manner in which the changes to the remote access system were handled by your staff. Fantastic! The job was sorted out quickly and efficiently. Well done ISD. Had I been left alone to do this, it would have ended up...</td>
</tr>
</tbody>
</table>

... as a customer, especially when classed as an internal customer – something quite a few others forget! Please can you pass on my thanks to both your Vista team, (Nick, Danny and Matt) and 2e2, (Stuart W, Stuart B, Johnny and Bacar).
costing government quite a lot of money, because ....I would no longer be able to use my own computer.
administration around the prisoner record will allow data to be held within one system, reducing duplication of effort and associated errors.
Improved efficiency and capacity – consolidation of data repositories and streamlined business processes.
Improved Management Information - ability to produce accurate Management Information and provide staff with quick access to data.
Paul Skillcorn the Deputy Governor of Isle of Man Prison commented
"Implementation of PIMS was an extremely significant project for the Prison. We had spent several years researching a solution to provide us with a system to replace a manual paper process used to manage prisoner records and information, and finally selected PIMS, a product developed for, and used in both Guernsey and Jersey Prison Services.
PIMS allowed us to streamline many processes whilst at the same time reducing the level of manual processing required, and improving the provision of management information. PIMS forms a sound platform which can be added to and amended as necessary, allowing it to grow and change in line with our requirements. It is a product that will serve the Prison well in the future."

DLGE
Subject: DLGE Sharepoint user group
Dear All
Thank you to all those who have provided feedback as users of the planning sharepoint group. I must admit I am pleased that it is all positive and that you have all appear to benefit from facility. For your reference there are currently 48 users in this planning sharepoint group.letting me know.
Thank you again to those who have responded

Jo Callow, 2009

DOI
Visual Weather Application....once the right project management was in place ....we now have a truly brilliant system. In terms of providing weather information to the forecaster, Visual Weather is at least one generation ahead of the last system

Alan Hiscott 2011

DOI
Havenstar - Ports & Vessel management
Harbours were pleased that the deployment of HavenStar had improved the operations especially as the staff were becoming happy with the system and that it may even be the case that the income had increased. He also said that the credit and refund system was functioning satisfactorily.

Harbours 2010

DOI
New License Discs
I think you have an excellent product which has moved us on years in terms of quality and security. Well done everyone.

CEO 2008
<table>
<thead>
<tr>
<th>DOI</th>
<th>Web Design and contents</th>
<th>Valerga, Kenny</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Subject: Compliments to Your Team</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For some time now, Anna &amp; Carol have given excellent support to me and my team with regard to web related issues. Their level of support covers a wide range of things, for example, how to copy text from one page to another, to a comprehensive review of a number of new pages, making sure that the links work and that documents referred to on a page have been uploaded in the right place, etc. The assistance recently given to us with regard to the creation of a number of new Housing pages was invaluable. I have also found both ladies to be a very effective link between us and PDMS, ensuring that work carried out by the firm is as per instructions.</td>
<td></td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>DOI</th>
<th>Vista</th>
<th>Caldwell, Ian</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>You all went about it in a professional manner</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Well done</td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>FSC</th>
<th>Windows 7 Rollout to the FSC</th>
<th>Anne Dorling - FSC</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nick &amp; Danny</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Just a note to thank you and your respective teams for the excellent work that was done to ensure a smooth rollout of Windows 7 within the Commission. Any issues that arose were dealt with in a quick and professional manner and ensured that things went extremely well. Please pass on our appreciation to your &quot;floor walkers&quot; and &quot;behind the scenes team&quot; as I might forget someone if I start including them in this email. Once again, many thanks for a job well done! Regards.</td>
<td></td>
<td></td>
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<thead>
<tr>
<th>MEA</th>
<th>MEA SRF 1401 - W7 connection to UK database....quick and efficient work carried out by Angus and Neil this past week. ...a solution that enables us to connect to ... databases in the UK on a Windows 7 client (SRF 1401). Many thanks to the both of them for such a quick turnaround.</th>
<th>MEA, Network Supervisor</th>
<th>2011</th>
</tr>
</thead>
</table>

<table>
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<tr>
<th>MNH</th>
<th>demo of Collections Online &amp; Newspapers at Olympia iMuseum and Explore Newspapers all worked great at the ‘Who Do You Think You Are?’ show at Olympia,......receiving fantastic, positive feedback from the visitors to our stand</th>
<th>Jude Dicken</th>
<th>2011</th>
</tr>
</thead>
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<thead>
<tr>
<th>ODPS</th>
<th>Vista</th>
<th>McDonald, Iain</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I am pleased to confirm that Vista Rollout in the ODPS went smoothly and while some minor issues did arise they were quickly resolved.</td>
<td></td>
<td></td>
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</table>

J Collister / A W Paterson  
Page 32 of 40  
Classification: OPEN
<table>
<thead>
<tr>
<th>OHR</th>
<th>Pensions Division Staff Relocation</th>
<th>Nick Cain OHR</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Whilst we only had a couple of weeks notice of the move, it's a Credit to ISD/2E2/Mx Telecom that we were operational very quickly. As you know we scan and work fully electronically so getting the IT right was key to us, please pass on my thanks to all concerned. It was also nice to see the pain of scanning all our files in 2008 paying off.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public</th>
<th>Contact From Web Site - compliment</th>
<th>xxxxxxxx@msn</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To: ISD, Online Help</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subject: Contact From Web Site - compliment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Feedback received from web site:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reason for Contacting: Compliments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Message:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Very good online services - have used in the past to pay Tax, just used again to pay Rates.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Well done - much better than UK where neither of these can be done.</td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>Treasury</th>
<th>Provision of Smart Phone</th>
<th>Treasury</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>e-mail of thanks from the Treasury Minister for the very short notice provision of a SmartPhone - a Google Android based SmartPhone (her personal choice)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>This is a clear reflection of the work we are beginning to do to view a wider range of consumer devices as appliances which can be used to connect to Government for e-mail etc</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Treasury</th>
<th>Keep up the good work. Your income tax service is brilliant. I see you are trialling Bing.</th>
<th>David North</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I think you must have had a change in IT in the last few years. The government website and the services available have improved dramatically: well done to everyone.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Keep up the good work Webmaster!!</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Treasury            | Subject: Re Andrew Skinner and Tony Graham                                                        | Ireland,     | 2009 |
|---------------------|----------------------------------------------------------------------------------------------------|               |      |
|                     | I am sorry to bother you but I feel I must bring to your attention a matter that has arose yesterday concerning Andy Skinner and Tony Graham. As a result of problems concerning servers and software updates we were without our contributions system for a considerable time yesterday. The reasons for this are being looked into by ISD and that is not the reason why I am writing to you. |               |      |
|                     | What I would like to bring to your attention is the actions of both Andy Skinner and Tony Graham who disrupted their travel plans (and in Andy's case have lost money) in order to help fix the problem. I would be grateful if you would pass on my thanks for their efforts to both them and Unisys as their actions are appreciated by all concerned. |               |      |
|                     | Deputy Director (Contributions & Compliance)                                                        |               |      |
|                     | DHSS Social Security Division                                                                     |               |      |

<table>
<thead>
<tr>
<th>Treasury</th>
<th>KSF IOM Early Payment Schemes</th>
<th>Clive McGreal</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I wanted to thank you for the excellent support excellent support that Treasury received from ISD in relation to the KSF IOM early</td>
<td></td>
<td></td>
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</table>
payment schemes.

ISD played a key role in quickly developing the Sharepoint database and the associated routines necessary to make payments. I would particularly highlight the work carried out by Ruth Eastham and Alasdair Gilchrist. They not only developed the Sharepoint system but also provided excellent ongoing support as new requirements have created the need for system changes. This was particularly true for EPS2, which was not anticipated at all when the original early payment scheme was launched.

Both Ruth and Alasdair have worked hard to resolve a wide range of systems and process issues identified by the Treasury team and also ensured that the process steps were documented and the KSF team trained. I am aware that all this work was completed without the normal systems specification and project documentation and to tight deadlines.

Overall, ISD has made a significant contribution to the success of the early payment schemes. I should be grateful if you would pass on my thanks to Ruth and Alasdair for a job well done.

---

**Treasury**

**Extract from Treasury Minister’s budget speech**

We have seen considerable progress in using ICT for genuine improvements in public service delivery and internal efficiency. As an example, the growth of on-line services via the Onemann programme has significantly exceeded targets for adoption by business and citizens, with over 5,500 companies and individuals registered, and over £11 million of payments for income tax, VAT and rates received by the new electronic payments channels.”

---

**Treasury**

**Vista and Laserfiche Roll Out — Success**

It's been a pleasure! Thank you to everyone involved with the successful roll out of Windows Vista and Laserfiche. To get this far with only a handful of outstanding issues clearly demonstrates how much hard work and effort that has been put in over the past few months. My appreciation goes out to Ean Proctor, Richard Weir and the ITD Support Team for such a smooth roll out this week, and resolving many of the queries that came our way.

Not only have the 120+ core users/machines been successfully migrated to Windows Vista/Laserfiche but also the 20 or so training/testing laptops which we originally planned to carry out next week. Again, a big thank you to the team for making this happen.

---

**Treasury**

**Vista & Office 2007**

Generally it is true to say that we were very pleased with the process and the support provided
<table>
<thead>
<tr>
<th>Treasury</th>
<th>personal thanks and that of the Division for the excellent service and support that your teams have provided in ensuring that the tax return deadline has passed successfully.</th>
<th>Gerard Higgins - Income Tax Division</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>... maintained constant liaison in recent weeks to discuss monitoring of submissions and in ensuring that support mechanisms were always in place to quickly respond to any downtime issues. ......monitoring stress testing of the service was invaluable in demonstrating and providing comfort to us in the capacity of the service. I look forward to our teams continuing to work together in the collaborative and professional manner that we have become accustomed to in further developing our suite of services and expanding the uptake of them</td>
<td>Malcolm Couch, ITD</td>
<td>2011</td>
</tr>
<tr>
<td>WSA</td>
<td>John Smith, Chief Exec of the Water Authority, in relation to more of their sites being put on Connect Mann with realisable savings to them, said “Looks like your boys done good. Many thanks.”</td>
<td>Water Authority</td>
<td>2011</td>
</tr>
</tbody>
</table>

### 7.6 Other Public Sector organisations – strategies and programmes - commentaries

- **UK Government – Francis Maude, Minister for the Cabinet Office & Paymaster General, May 2011**

  In shaping a new structure for Public Service, there is a clear need to be ruthless in defining the role of the centre – this must include control of a single ICT interoperable infrastructure, control of major projects, control of security, and control of procurement (the search for a single ICT customer – 7 Crown representatives for procuremen t and supplier management, April 2011).

- **US Technology CEO Council – One Trillion Reasons – October 2010**

  Recommendations from this group of CEO’s of leading technology companies to the US Government include the need to consolidate its IT infrastructure (including virtualisation and data centre consolidation), reduce energy use, move to shared services for mission-support activities, move to electronic self-service, and better project management (business process management, organisational change management, and leadership from the top).

- **National Association of Chief Information Officers of the (US) States – Priorities for 2011 – October 2010**

  Priorities include Consolidation / Optimisation / Virtualisation of processing and network infrastructure, Identity and Access Management, Cloud Computing, Document and Records

- Data Centre Strategy (UK Government) – May 2011

Transition considerations

- A logical starting point for transition will be to accelerate virtualisation and consolidation of existing data centre facilities operated by existing suppliers on behalf of departments (the “initial consolidations”), within the bounds of existing contracts. This will help to identify cross government applications and infrastructures that can be used to support initiatives owned by multi-centred communities of interest.

- In parallel, the Government Applications Store should be designed to enable the early identification of applications (standard fit for purpose applications at best price through utility models) that can be re-used across the public sector. Contributing organisations or departments should be incentivised and rewarded for providing applications to be shared.

Dependencies

- A pre-requisite for realisation of the commercial objectives are a set of UK Government technical & operational standards

- Information Assurance standards will be key to defining what is required, and at what level, and whether or not facilities can be shared with non HMG clients

- The standards must enable practical & effective virtual segregation

- Recent public examples of large contract awards:
  - Cumbria issues £120.5m ICT tender (primarily for Data Centre, Service Management, and managed network service). – March 2011
  - Essex County Council plans £35m IT deal (ICT and related services for adult and children's social care). – March 2011
  - Cornwall proposes £20m to £1bn partnership (Shared ICT and other services). – March 2011
  - Cornwall £7m deal with Oracle to deliver ERP system – October 2010

7.7 eGovernment Benchmark 2010 – “Digitizing Public Services in Europe – putting ambition into action”.

In 2001, the European Union agreed a set of 5 year targets for development of on-line public services across Europe. These targets were revised and amended in 2005 and again in 2010. Over that time, originally Ernst & Young, and subsequently Capgemini were commissioned by the EU to perform an annual benchmark assessment of 27 European counties performance against the targets.

Clearly the Isle of Man is not part of the EU and was therefore not included in the benchmark assessment, however ISD felt it essential to measure IoMG progress in order to validate the success of the online services strategy. Accordingly, ISD have commissioned Capgemini on an occasional basis to apply the EU benchmark process and rate the IoM against it.

The third iteration of the benchmark for IoMG is now available in draft format, with the final report to be released in June 2011. Key findings include:

- Isle of Man reaches a sophistication score of 77%, which is an increase of 8% compared to 2008
- Isle of Man reaches a full online availability score of 60% which is a spectacular increase of 28% compared to 2008 (although the EU27 average is c. 82%)
- The (IoM) Income Generating cluster (taxes, social contributions, VAT, customs) has reached the maximal sophistication score.
- Isle of Man has reached high scores as regards user experience of both the 20 services and the national portal ...
- ... and is among Europe's leading nations (2nd to Malta)
- The job search service – as part of the 20 services measurement – reaches a maximal score. The availability of key (technology and management process) enablers in the isle of Man is highly developed with 8 out of 9 enablers in place. Only 6 counties in Europe surpass that performance.
- Considering Isle of Man is monitoring all enablers (eID, Single sign on, ePayment, and eSafe), the island belongs a (leading) minority in Europe.
- The Isle of Man clearly shows progress towards customer centric service provision, but needs continuous focus to achieve policy goals.

The Capgemini benchmark report clearly indicates that IoMG has a technology base appropriate for delivery of the online services which Europe recognises as essential, but is not yet making the business change progress required in all areas.
8 SECURITY

Information assets are held in ISD's Dual Data Centres accessible via the IoMG network for Businesses, Residents and Visitors, who trust us to keep their personal data confidential and safe, the record accurate and consistent and available on demand only to those authorized to see them. This ranges from personal data to tax data to criminal data to health data. Isle of Man Government has a clear duty of care to make sure these records are secure, yet available as and when needed by authorised people.

Many of those information assets co-exist with UK based systems, such as NHS, Social Security, Police, all of which have demanding security standards. Recognising the proportionate approach to information security, ISD's technology architecture and standards, and its security management systems and procedures, (including ongoing audit and accreditation to ISO27001 standards) enable Government to be a trusted third party to the key UK systems.

Success in this is actually demonstrated by the lack of evidence of failure – for instance defence against malware (when was the last time Government experienced a computer virus attack – whereas many UK Public Sector bodies experienced the Conficker virus in Spring 2009).

In a similar vein, a report in the Guardian in September 2009 highlighted a computer virus problem in the London Borough of Ealing where the introduction of an infected memory stick is estimated to have cost Ealing c. £500,000 in lost revenue and system repairs.

An illustration of the importance of the security of data and the real risks can be found in the KPMG Data Loss Barometer that provides the results of their worldwide research into reported data loss incidents.

To provide the level of security required by the multi faceted Connect Mann network, ISD use an industry best practice layered protection model. To ensure the ongoing integrity of the deployed infrastructure ISD engage CESG (Communications-Electronics Security Group) approved external resources to assess and report any vulnerabilities and weaknesses that may be evident.

A full penetration test is carried out on all public facing nodes on the Connect Mann network twice yearly, these are scheduled randomly by ISD senior management, the dates of which are not disclosed to the team who manage the security infrastructure. As well as testing the infrastructure it provides essential opportunity for the team to test and develop the procedures put in place to deal with attempts to compromise the layered security infrastructure.

A fully automated scan to ensure PCI-DSS (Payment Card Industry Data Security Standard) compliance runs quarterly on the Isle of Man Government website and results are delivered to ISD senior management.

Our perimeter security layers are proactively monitored 24 x 365 by an approved provider of managed security services who notify ISD if any unexpected or suspicious traffic is detected.

ISD's ISO27001 accreditation is evidence of ISD following clear and appropriate good practice in this area.

In terms of remote access for software suppliers, a strict process is applied which allows Departments to request access on behalf of their suppliers. This process is subject, as appropriate, to external audit by NHS UK, Police, PCI-DSS and meets the controls expected in ISD's ISO27001 accreditation. The process involves checks to the highest level [SC] possible for civilians. This checking process, carried out by IoM Police, is in addition to any contractual due diligence carried out by the project teams, Internal Audit, Treasury and Central Procurement.
Access is not given unless it has been authorised and can be subsequently evidenced on demand. Clearly a key issue is integrity of live data and associated data protection principles. Different approaches to the authorisation of supplier access exist depending on the accountability and clearance of the supplier's staff – variants include access authorised as required by ISD, access authorised as required by the user department, or open read-only access for the supplier.
9 COMPLAINTS PROCEDURE

ISD’s complaints procedure is included in our Management System, and is maintained in ISD’s Sharepoint site.

The process is owned by ISD’s Planning and Resources Manager who deals with formal complaints and manages them from start to finish. 7 recorded cases have been raised and registered since 2008.

Projects with Department of Health and other major programmes, were aligned through the business change programme. Any issues, complaints or management matters would normally have been raised through the established channels.

ISD note that the existence of this formal procedure may not be well understood, and will remind CLOs of its existence.
To: Members of the PAC Sub-Committee on Government IT Provision  
From: Allan Paterson, Director, ISD  

FOLLOW-UP TO OUTSTANDING ISSUES ARISING FROM  
PUBLIC EVIDENCE SESSION ON 26TH MAY 2011  

As requested, please find below further clarification on issues that were discussed in the public evidence session.

1. "Simple issues being applied more simply" – based on Mrs Brook’s comments re Personal Education Plans (PEP) for children in care.

   My understanding, following discussion with Graham Kinrade of DEC, is that ISD were not involved at the time that DoE central ICT staff took the step of implementing Mrs Brook’s PEP software within the local DoE environment. This was done as a simple expedient at a time when DoE were not yet closely aligned with ISD and the use of ISD Data Centres as a shared service. Interestingly, what started out as an apparently simple requirement has recently become significantly more complex with a request in June 2011 for external access to the PEP system by children from home / elsewhere.

   As discussed in the public evidence session, the principle of minimising potential bureaucracy around apparently simple requirements is addressed by the fast track SRF approach.

2. Communication with Departments

   This was subject to several iterations in the public evidence session. To clarify, ISD has regular meetings at either a strategic or an operational level with DCCL, DED, DEC, DH, DHA, DOI, DSC and some of the Boards and Offices. ISD has individual meetings with areas of Treasury such as ITD and Customs & Excise.

   ISD also participates in the Service Transformation Group which includes all Departmental Chief Officers.

3. Virtualisation of Axapta / Medway

   Axapta virtualisation is currently in key user test stage and is expected to go live shortly. The virtualisation team are currently working with System C to virtualise Medway. It is expected that the virtualisation project will be complete by October.

4. FD27 - Servers to be implemented inside the Government Data Centres - requests for exception

   a. Areas that have asked to be exceptions
IoM Post is the only area to have taken this discussion to the extreme, to a point where they are now costing a full separation from any Government service (including e-mail, ConnectMann, www.gov.im, etc). IoM Post argues that this is to allow them to be responsive to market conditions, introducing new marketing programmes, etc. ISD would counter that argument with a view that IoM Post have consistently failed to demonstrate any effective planning or governance — instead, in an unquantified manner, with no clarity as to business benefits to be achieved, IoM Post continue to “want it now”.

From time to time, Ship Register raises this as an issue, particularly now that they are using third party surveyors based in the locality, e.g. Singapore, rather than sending Officers out from the Island. Ship Register’s issues are about 3rd party access, now being tackled as a Systems Request, and about freedom to apply system enhancements without the level of good practice change management required by ISD (as compliant with our ISO 20000 Service Management Standard). ISD are currently considering how this could be provided either from within the Government Data Centres, or from a hosted service provided externally.

FSC also have through many years sought to be self-determining in systems development, but clearly and consistently failed to invest in their core technologies — accordingly Company Register is now both at risk in relation to its support, and significantly falling behind competitive jurisdictions in the service provided as enabled by technology.

Other areas that have traditionally been separate such as Education have quite willingly recognised the benefit of having a managed service provided for them and have, after discussion, are in the midst of a programme bringing a range of DEC services into the Data Centres shared service.

ISD see this as an area which continues to evolve — the Government Data Centres and the introduction of virtualisation have allowed ISD to offer an award-winning “Private Cloud” capability. It is generally accepted that Public Sector ICT will move to a hybrid world (with both Private and Public Cloud capability). ISD continue to monitor that evolution and will support its introduction at an appropriate time.

In a similar context, whereas ISD historically sought to ensure all IoM Government website requirements were delivered through the www.gov.im framework, ISD now acknowledges and supports exceptions being hosted externally — for instance websites which are primarily information only, e.g. www.crashim (the “legal highs” information website).

b. Server Replacement for Noble’s Hospital

In the public evidence session, I commented on the conflict arising from Noble’s hospital’s need to replace out of date servers (referred to within the Noble’s Public Evidence). I indicated that the Noble’s stance, as documented in a business case
paper produced by DH IT staff suggested that it would cost c. £156,000 in hosting charges were the server provision to be incorporated in Government’s data centres. A further cost of c. £100,000 was estimated in terms of resource necessary to provide appropriate documentation and ICT governance – on the assumption that resource would be provided by ISD (using Intelligence resources) and that Noble’s IT does not have the project resource available in-house.

On that cost basis, Noble’s recommendation was to proceed with stand-alone server replacement in situ in Noble’s. I suggested that ISD believed costs from a centrally provided service would be substantively lower than the figures cited by Noble’s.

Further discussion between ISD and the DH IT Project manager responsible for this request has now agreed a recommendation that the DH use dedicated (specifically to DH applications) virtual infrastructure in the Government dual data centres.

- Virtual infrastructure will be provided onto which the services currently hosted at Noble’s Hospital can be migrated.
- The DH will provide a TAG representative to compile and present all documentation.
- The one-time cost of the infrastructure, to be funded by DH, will be £42,500.
- DH will decide the order and speed at which its applications will be migrated.

Thus, from the original Noble’s “defend the status quo” approach which cited costs calculated by Noble’s of £156,000 in ISD hosting charges, we now have a fully considered, agreed solution for virtualised server provision within the Government Data Centres at a cost to DH of £42,500, as well as a commitment from DH to provide the resource necessary for TAG documentation.

5. Heat Self Service

In the written submission to the Public Session, and as subsequently discussed, it was noted that a number of areas had access to Heat Self Service, but only one (DoI) made any use of it.

ISD are replacing Heat as part of the implementation of Microsoft Service Manager and are planning to enable all users to raise calls via a self service portal. This portal will give them the ability to log a call and view any calls that the individual has raised. We are also planning to enable CLO’s to view all calls raised by staff in their department.

The timescale to have Service Manager available in the live environment is middle of October. I would expect that we will have it broadly deployed to for self-service call reporting and monitoring.

Given these changes, we do not intend to promote further the use of Heat Self Service, however we will review their thoughts on self service and the benefits/effectiveness/appropriateness with Departments who have used Heat self-serve. This will then be used to help focus the Service Manager project.
6. Capgemini report

In the public evidence session, I cited the draft report we had received from Capgemini and committed to make the final report available to the Committee. The Powerpoint presentation accompanies this paper. There is a full report, but I think the presentation is an easy way to get the core messages.

To put this into a brief context, the EU agreed targets for on-line sophistication — in other words, delivery of 20 citizen and business services via online channels — back in 2001. These were slightly refined in 2005 and again in 2010. Capgemini have provided an annual progress review / cross Europe benchmark for the EU measuring each of the 27 (now 32) countries and their progress.

In 2006, I commissioned Capgemini to benchmark us using the EU model and to position us against the EU27+. We repeated the exercise in 2008 and have just repeated it again in 2011.

The EU and Capgemini realised that progress towards the original targets has now generally been completed and are moving towards a new set of targets based on life events (citizen losing and finding a job, and business start-up) and key enabling technologies.

If I can summarise the findings:

- IoMG has continued to make progress towards the original 20 services, but has actually fallen further back in relation to the EU27+ (now 30th out of the 32 plus us).

- We are at 100% in the Income Generating group (taxes, VAT, NI), have made some progress in Permits and Licences group, have made a little progress in the Returns group (health, libraries, procurement, policing, job search, social security benefits) but have made no progress in the last 3 years in the Registration group (car, company, birth & marriage, moving).

- In terms of online sophistication of the 20 business services, we are still below the 2008 EU average along with 6 other countries (Iceland, Croatia, Bulgaria, Romania, Cyprus and Greece)

- From a User experience, we rank as 2nd (following Malta – who allegedly put a lot of effort into targeting the measurement criteria specifically – and allegedly even announced their result before the benchmark was complete).

- The Isle of Man has reached the full 100% as regards the user experience of its National Portal, whereas Europe stands at 77%.

- We get special mention for the advanced accessibility features of the portal and services (aimed at visual impairment particularly)
• In terms of the two life events, we are viewed as at an early stage — mainly informational

• In terms of the key technology enablers and associated monitoring, IoMG is viewed as among the top players in Europe

Conclusions — we are well positioned with our technology and the associated approaches and principles established in One Mann (this is up there with the best in Europe) — but still not making enough progress with regard to business transformation (particularly in the categories of Permits and Licences, Returns, and especially Registration). Also there is increasing focus on establishing a Company cache and a Citizen cache as part of the core approach (one company, one basic record; one citizen, one basic record). Within Europe, the issue of cross border portability is becoming critical (personal records, etc) and Isle of Man Government needs to decide on our approach to that as a Policy matter. In terms of the key life events being targeted for the future, we are quite low down on the scale at the moment — and again need to decide whether to aim for real success here — remember in terms of competing economies, the other jurisdictions will use these measures as USP — especially places like Malta.

As a final thought — I think this gives us some potential top down drivers for Transforming Government (and within that Customer First). Projects like development of a new Company Registration system or a new approach to the Employment journey are clearly hindered by lack of business resources (“smart clients”) — perhaps we need the Transforming Government team to be pro-active in providing that business resource to enable us to progress those projects as a Government priority.

A W Paterson
29th July 2011
APPENDIX 5
APPENDIX 5

ICT Policy

Isle of Man Government is committed to the use of integrated ICT for competitive advantage. Accordingly, Government will maintain a central strategic ownership of ICT technologies, process and data architectures, standards and governance, and ICT Production Services. This enables an over-arching perspective of ICT and its contribution to the effectiveness and productivity of Public Service, as well as driving a more efficient cost base for ICT in Government.

ICT will deliver for Government, working in close conjunction with key business areas where appropriate:

- A single, consistent, integrated way of doing business with Government - “OneMann”.
- A set of common services to be used consistently throughout core business processes, such as Electronic Payment engine, Document and Records Management and retrieval, and key KYC information integrated with User Enrolment and Authentication.
- A cross Government set of best practice processes (known as enterprise solutions) including Management & Financial Accounting (Microsoft Axapta), Customer Relationship Management (CRM), and Human Resources Management.
- “One stop shop” - a walk-in centre where a wide range of services across Government can be accessed either electronically or with assistance from trained staff.
- Assist in identifying opportunity for Shared Services where a sustainable business case can be developed.
- Identified benefits, as appropriate to the individual business case, monitored through a Benefits Realisation model.

Council of Ministers

October 2007