



INFORMATION
TECHNOLOGY
FACULTY

MAKING INFORMATION SYSTEMS WORK

A THOUGHT LEADERSHIP INITIATIVE



BUSINESS WITH CONFIDENCE

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Making Information Systems Work, an initiative from the ICAEW IT Faculty, looks at the challenges presented today by information systems. Taking a questioning and independent standpoint, this initiative will engage all sectors of the economy in an increasingly important debate.

The growth of IT

Information technology has grown to be an integral part of our environment, whether we view it as business leaders, employees or citizens. From our reliance on mobile technology and email to large scale re-engineering projects, technology seems to have developed a life of its own, constantly evolving and spreading into new areas.

Benefits and challenges

New technology has transformed the way we interact with one another and do business. The positive benefits of the internet, enhanced communication tools, and global processing, for example, have been realised by many organisations and individuals.

However, as the number of technology opportunities grows, so too do the challenges of successful implementation.

As technology becomes ever more pervasive, IT investment also continues to increase. Indeed, investment in IT is seen as a key driver of growth for many companies.

Therefore, although many of the challenges are not new, the need to debate them is now more important than ever.

Connecting systems

IT does not work in isolation. All technology connects with systems of human behaviour.

The interaction with organisational and cultural systems also strongly influences the effectiveness of IT within an organisation.

And, as technology supports the growth of globalisation, and the transformation of government, it increasingly influences the distribution and exercise of economic power.

Joined-up thinking, as well as joined-up systems, remains a key challenge for technology.

Simple yet complex

A common goal of using technology is to simplify the way we do things – achieving a complex task by the simple press of a button.

As technology has matured, it has also become more standardised and commoditised – an identical suite of functionality and infrastructure to be rolled out anywhere and everywhere.

On one level, therefore, technology is all about simplicity.

However, beyond the simple and standard façade, every computer system is truly unique. It depends on a highly complex interplay of hardware, functionality, data, process and organisational culture.

Making information systems work

This initiative is not just about making technology work. Rather, it is about making technology work with the wider systems around us.

In order to do this, information systems need to be based on:

- **Value:** the economic case for IT investment.
- **Trust:** a secure environment for the use and transfer of information.
- **Standards:** a sound technical basis for the exchange of information between parties.

The increasing interdependence of systems makes the linkage of these elements particularly important. Without trust or standards in exchanging data, for example, the value of information systems cannot be maximised.

Chartered accountants are key users and managers of information systems

Chartered accountants are key custodians of information within organisations – whether as users, managers or auditors. As such, they have a vital interest in IT systems that enable people to do business with confidence.

Therefore, chartered accountants have particular skills and perspectives to contribute, both to the practice of IT and information systems and to current debates about value, trust and standards.

However, the effective deployment of IT within any organisation requires support and buy-in across all functions and at all levels.

Consequently, chartered accountants need to take on board the perspectives not only of technologists but of business leaders from other disciplines in the use and management of IT.

Role of ICAEW

As an independent body, ICAEW, through its IT Faculty, is able to take a truly objective view and get past the technology hype:

- Leading and shaping debate.
- Challenging common assumptions.
- Clarifying the arguments.

This will build on the expertise of the IT Faculty in providing impartial advice on the effective use and management of IT within business and professional practice.

Making Information Systems Work will also draw on the wider expertise of the ICAEW, for example, in financial reporting, finance and management, audit and assurance, business law and tax.

Our approach

As ICAEW takes *Making Information Systems Work* forward, it will host discussions, publicise research findings and opportunities and promote dialogue between interested parties, including business, government academia, and the software industry.

In our areas of particular interest, we will look for relevant case studies which provide balanced and useful insights. These may be published separately or incorporated into our major reports.

Invitation to participate

We welcome comments and involvement from all interested parties.

If you or anyone in your organisation is interested in *Making Information Systems Work* and following progress or participating in the discussions, please contact informationsystems@icaew.com

MAKING INFORMATION SYSTEMS WORK REPORTS

VALUE

Measuring IT returns

As organisations struggle to define the tangible and not so tangible benefits of IT investments, the area has become inundated with ever more complex approaches to making investment decisions. However, surveys of management repeatedly show a low take-up of formal methods in practice, and few organisations validate benefits after the event.

This report considers the challenges faced by many businesses in applying financial analysis to IT investments. In doing so, it aims to help businesses apply such techniques more meaningfully, thereby improving decision making and implementation in practice.

TRUST

IT decisions and business trust

IT systems and the internet present businesses with many opportunities to increase the value that they offer customers, shareholders and other parties. However, in order to sustain IT-based value, businesses also need to manage concerns about the security, use and exploitation of information.

This report will consider how business decisions need to draw on new information practices and policies to balance opportunities to create value from IT with the risks of losing trust. It will also contribute to a vigorous debate between business, government, civic and academic communities on the future of information control and security.

STANDARDS

Achieving benefits from digital reporting

Over the past 10 years, we have seen a strong trend towards the development of technical standards for a range of financial and business reporting. Whilst all share the basic objective of improving the efficiency and transparency of reporting processes, they differ in their complexity, ranging from simple discrete file formats to the detailed and all-encompassing approach of XBRL.

Building on our 2004 report *Digital reporting in the Information for Better Markets* series, this report will consider benefits, risks and trade-offs across the spectrum of solutions on offer, as well as the role of regulators and governments in promoting standards.



ICAEW is a founder member of the Global Accounting Alliance, which represents around 775,000 of the world's leading professional accountants in over 165 countries around the globe, to promote quality services, share information and collaborate on important international issues.

ICAEW is a professional membership organisation, supporting over 136,000 chartered accountants around the world. Through our technical knowledge, skills and expertise, we provide insight and leadership to the global accountancy and finance profession.

Our members provide financial knowledge and guidance based on the highest professional, technical and ethical standards. We develop and support individuals, organisations and communities to help them achieve long-term, sustainable economic value.

Because of us, people can do business with confidence.

Information Technology Faculty
ICAEW
Chartered Accountants' Hall
Moorgate Place London
EC2R 6EA UK

T +44 (0)20 7920 8481
E informationssystem@icaew.com
icaew.com/informationssystem