

# ISSUE ANALYSIS

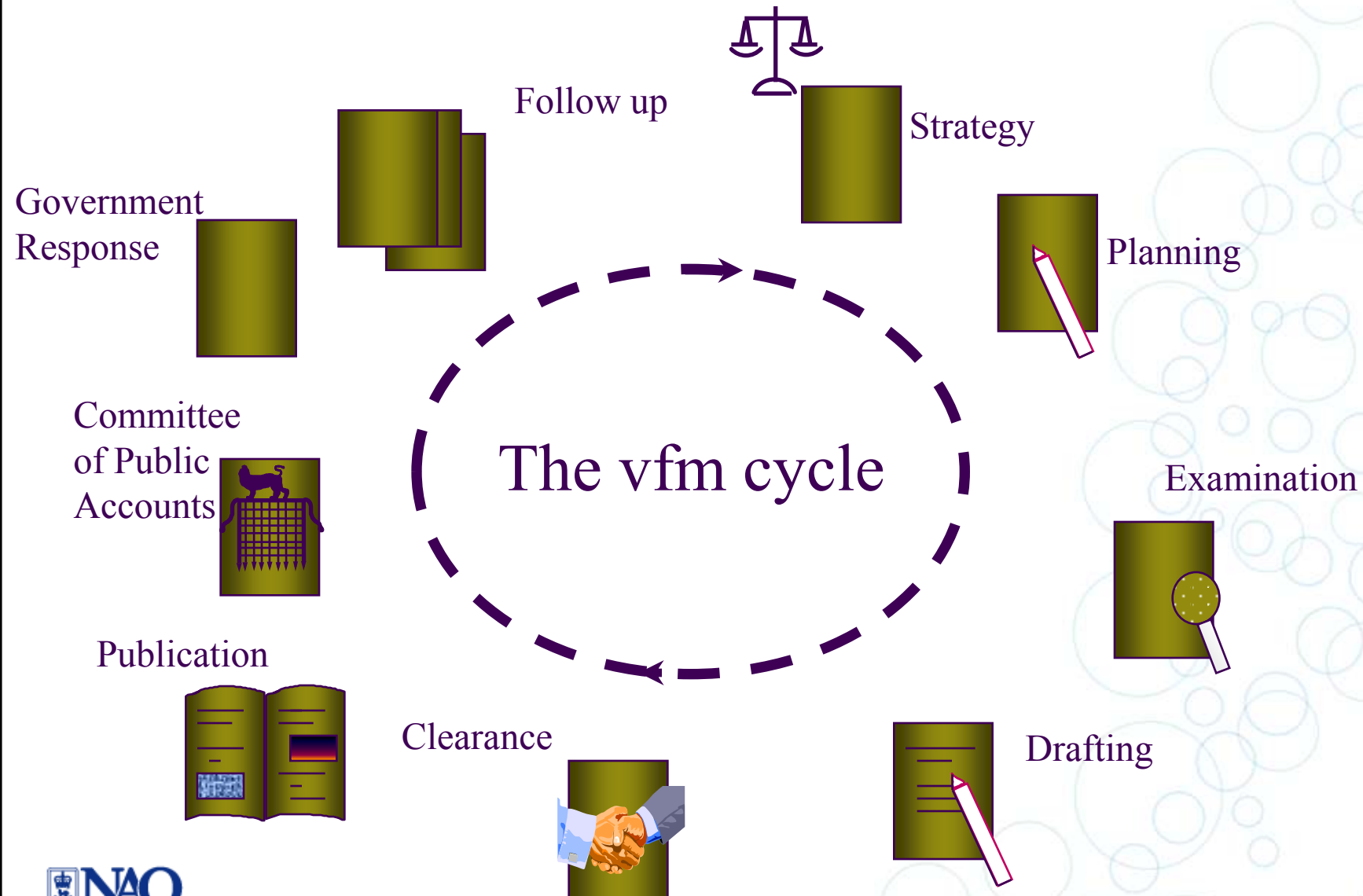
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# Introduction to the Issue Analysis approach

# Issue Analysis Developing Conclusions

- **Issue Analysis:**
  - **What is the scope of the work?**
  - **What evidence do we need to gather?**
- **Developing Conclusions:**
  - **What does the evidence show?**
  - **What should the report say?**

# The study cycle



# IADC in the overall VFM study cycle

- **Preliminary study stage/QT1**
  - Early enough to inform issues and ensure methods are right
  - Late enough that we know enough to produce a robust Issue Analysis
- **Team effort involving senior management and key stakeholders**
  - Audit Client
  - Consultants
- **Use a facilitator either VFM development team or someone in the office familiar with the technique**

**Issue Analysis allows us to offer a logical explanation based on the evidence and can be used to engage with the Department at all stages of the study**

# The Theory behind the Issue Analysis approach

# The NAO and Issue Analysis

- **Developed in NAO since 1993**
- **Based on Barbara Minto's book, The Pyramid Principle**
- **Mixture of logical and practical rules**



# Minto's preference for Order

- **Two Irishmen met on a bridge at midnight in a strange city...**
- **At midnight in a strange city two Irishmen met on a bridge...**
- **On a bridge in a strange city two Irishmen met at midnight...**

# What are the characteristics of issue analysis?

- **Takes shape of pyramid**
- **Provides framework for a study**
- **A rigorous structured approach**

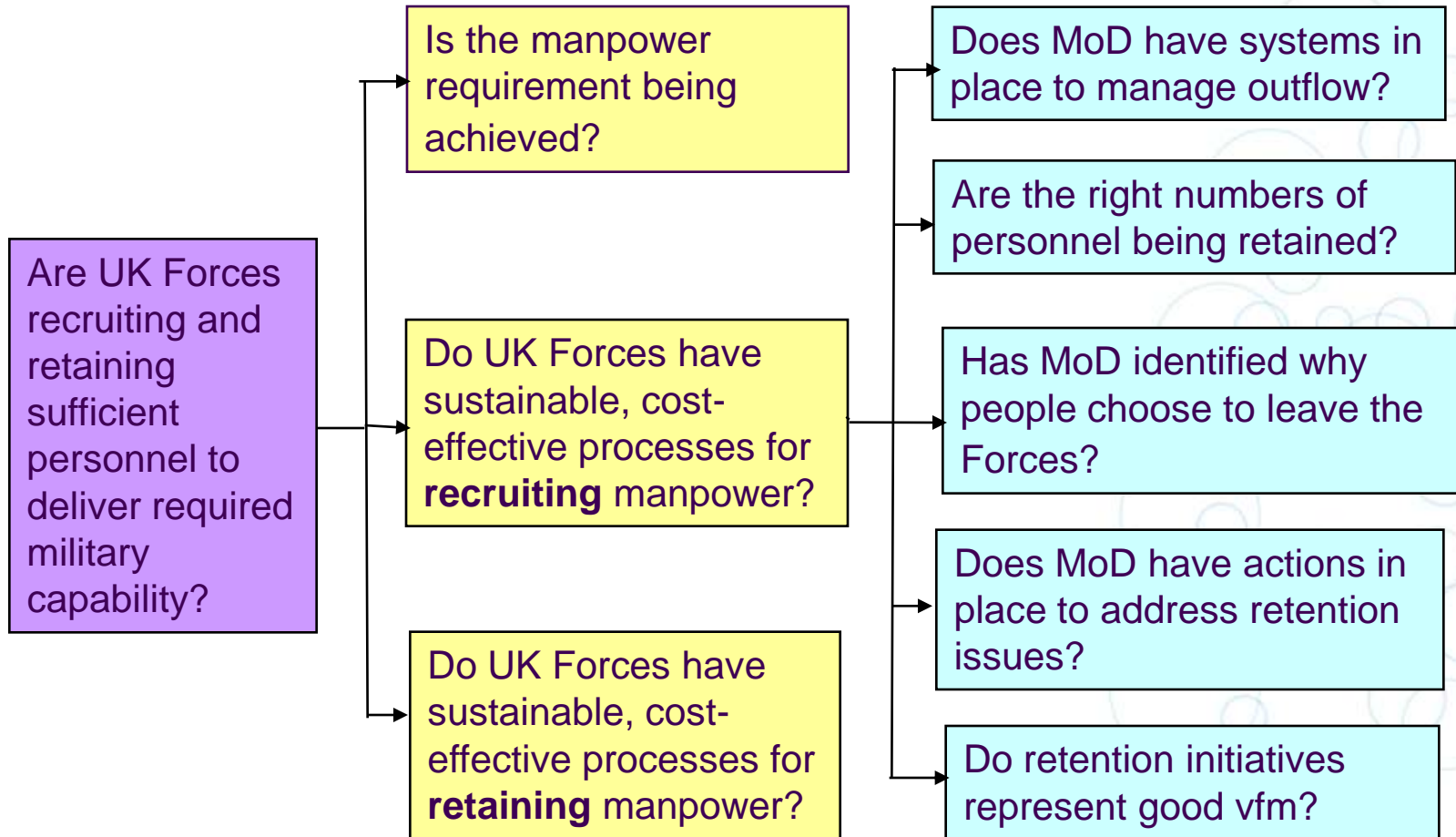
# A short example of an issue analysis

**Are Pigs a  
good pet?**

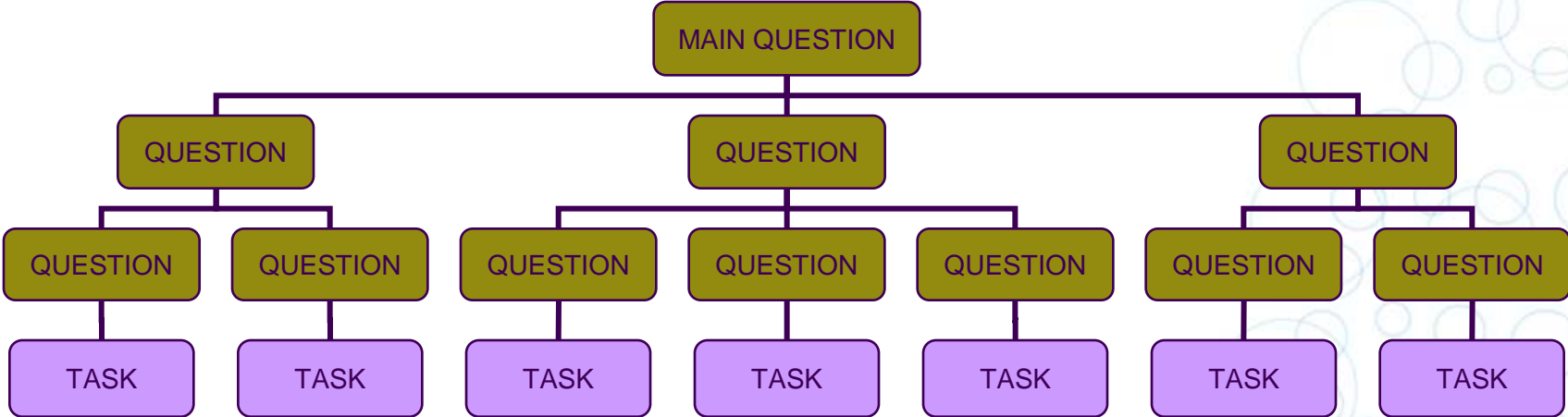
**Are Pigs  
friendly?**

**Are Pigs cheap  
to maintain?**

# An example from the defence VFM team



# Questions linked to audit tasks

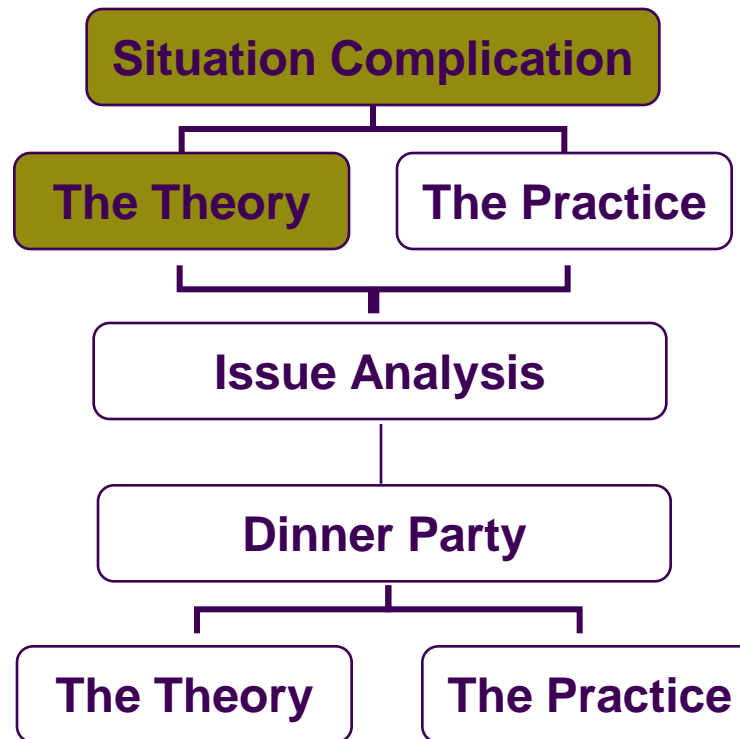


# Summing Up...

- **Made up of a hierarchy of Yes/No questions**
- **Turns high level questions into specific audit tasks, linked to detailed methodologies and evidence sources**

# How to Start

# Between Theory and Practice





# You need the Big Study Question

This comes from developing a list of situations and complications, the combining of which will lead to...

The Big Question

- **SITUATIONS**
  - Starting point of the study. Non controversial, factual statement
- **COMPLICATIONS – ‘So what’?**
  - Something which arose out of the situation – why the study is being done, what makes it worthwhile?
- Combine to give **QUESTION**

# The ideal Situation

- **PURPOSE**

- Provides background
- Begins the story

- **CHARACTERISTICS**

- Descriptive
- Non-controversial – not disputed
- States the obvious
- Factual/ true
- First thing to tell the man in the pub!

# The ideal Complication

- **PURPOSE**
  - To make topic/ subject interesting to write about
  - Justifies the study
- **CHARACTERISTICS**
  - What complicates the situation
  - What makes the situation unstable
  - May introduce the unusual, the novel
  - Requires judgement
  - The “so what?”, “But...” or “And..” factor
  - Second thing to tell the man in the pub!

# The ideal Question

- **PURPOSE**
  - To provide main focus/ scope for study
- **CHARACTERISTICS**
  - Arises in reader's mind as result of S-C
  - Requires YES/ NO answer...to enable clear evaluative criteria. A good yes/ no question would be:  
“Is programme ABC a success?”

# Simple Example

## **Situation:**

- **People own pets**

## **Complication:**

- **Dogs and cats are much more popular than other pets**

## **Question:**

- **Are dogs and cats the best pets to own?**

# Simple Example

## Situation:

- **There are privately built hospitals in the NHS**

## Complication:

- **Private hospitals cost more to build and maintain than public hospitals**

## Question:

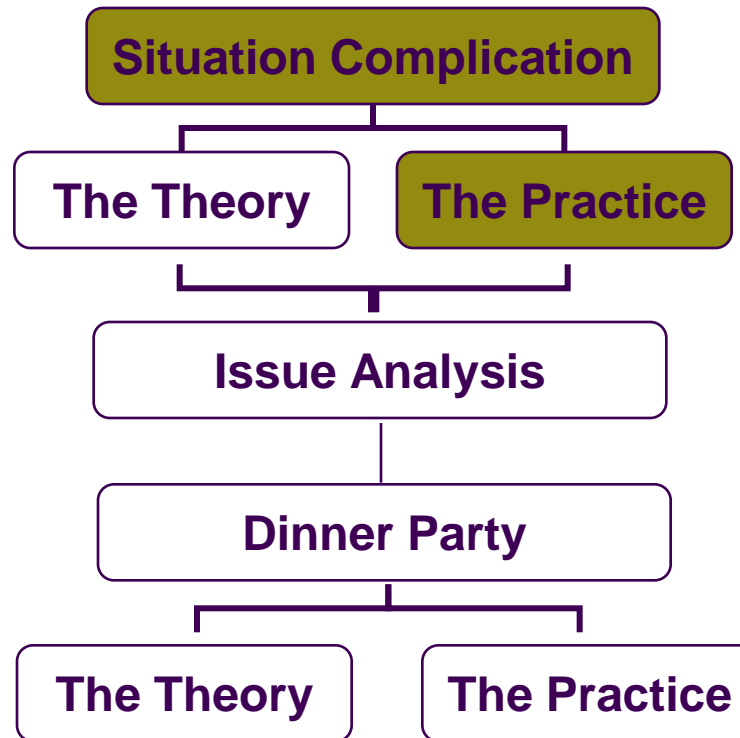
- **Is the extra cost of private hospitals offset by the benefits of private build?**

# Which Situation-Complication?

- **Which S-C?**
  - Need to think as widely as possible
  - But recognise constraints...
- **Constraints for the NAO may include:**
  - Specific requests from key stakeholders, e.g. C&AG and PAC
  - Policy questions, which need to be avoided
  - Feasibility - time, budget and staff resource pressures



# Between Theory and Practice

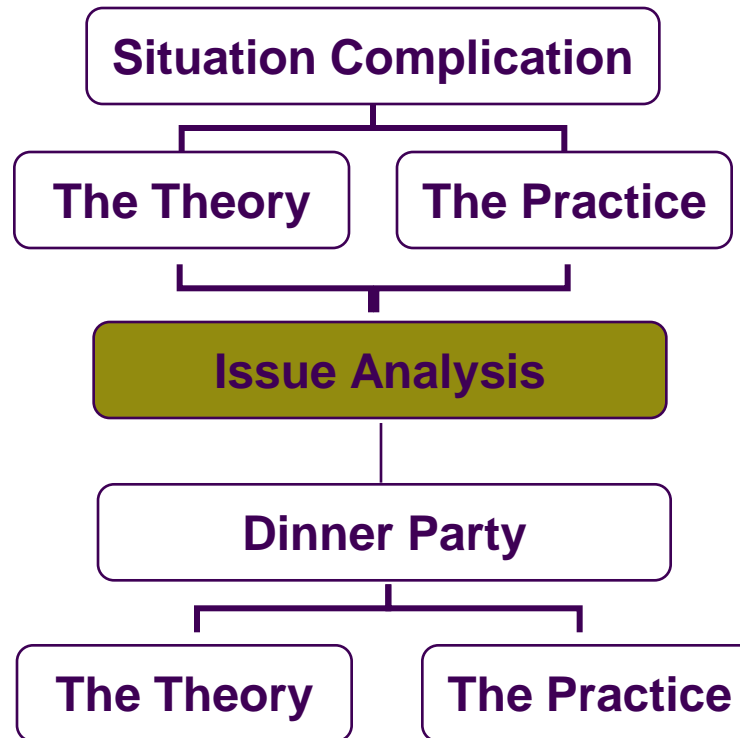


# How to start in Practice

- **If teams want to use a loose approach, then start off with a discussion around the key issues.**
- **Bullet point these key issues on a whiteboard/flipchart.**
- **Review the bullet points asking – “what makes this subject interesting?”**
- **Synthesise this review by encouraging the development of a Big Question.**
- **Review whether the Big Question encapsulates the key issues...**

**Then proceed... to start thinking about the structure of the pyramid.**

# Between Theory and Practice



What next? – Organise our thoughts  
– How?

## **The Ordering Principles**

**A means by which to provide a logical structure of the issues below the big question.**

# Some examples of Ordering Principles

## 1. Chronology

**What was it like before? (File review)**

**What is the situation now? (Field visits)**

**How can it best be taken into the future? (Lessons to be learned)**

**Was there a business case for the procurement?**

**Did the procurement follow best practice?**

**Did you land up with what you wanted?**

## **2. Structure: Organisational function – breaking down the organisation into separate units e.g. departments.**

**How did the MOD use Consultants?**

**In the RAF?**

**In the Army?**

**In the Navy?**

### **3. Structure: Geographic**

**How well is initiative X proceeding?**

**In the UK.**

**In Europe.**

**In the rest of the world.**

**4. Structure: Demographic e.g. division of the population into subsets, by age, gender, qualifications**

## 5. Rank or Zoom in/out

- From the highest to the lowest or vice versa
- Ripple Effect

## 6. Deductive Reasoning

**Major premise (accepted generalisation)**

**Minor Premise (study specific)**

**Conclusion (derives from the above)**

**Or**

**Cost Benefit Analysis**

**[Costs (c) Benefits (b) Outcome (b-c)]**



# Apply the Ordering Principles

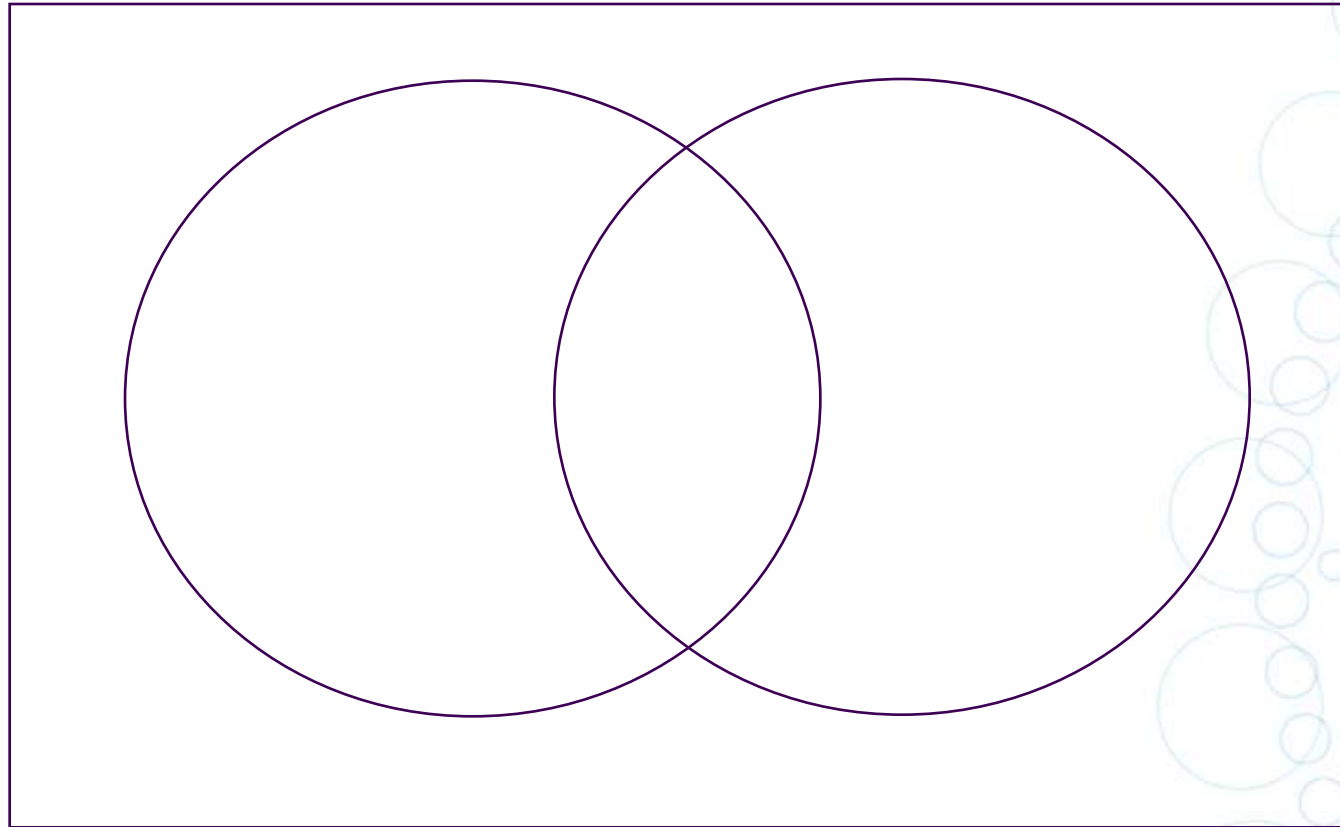
Which ordering principle would you recommend for a study on:

- 1. Is hospital acquired infection as prevalent in other comparable countries as it is in England?**
- 2. Should the Toll Bridge have been Built?**
- 3. Defence Major Projects 2001 – Is cost performance on major defence projects improving?**
- 4. How does sickness absence in the Prison service compare with other government departments?**
- 5. Did the acquisition of the Hospital meet the needs of its stakeholders?**

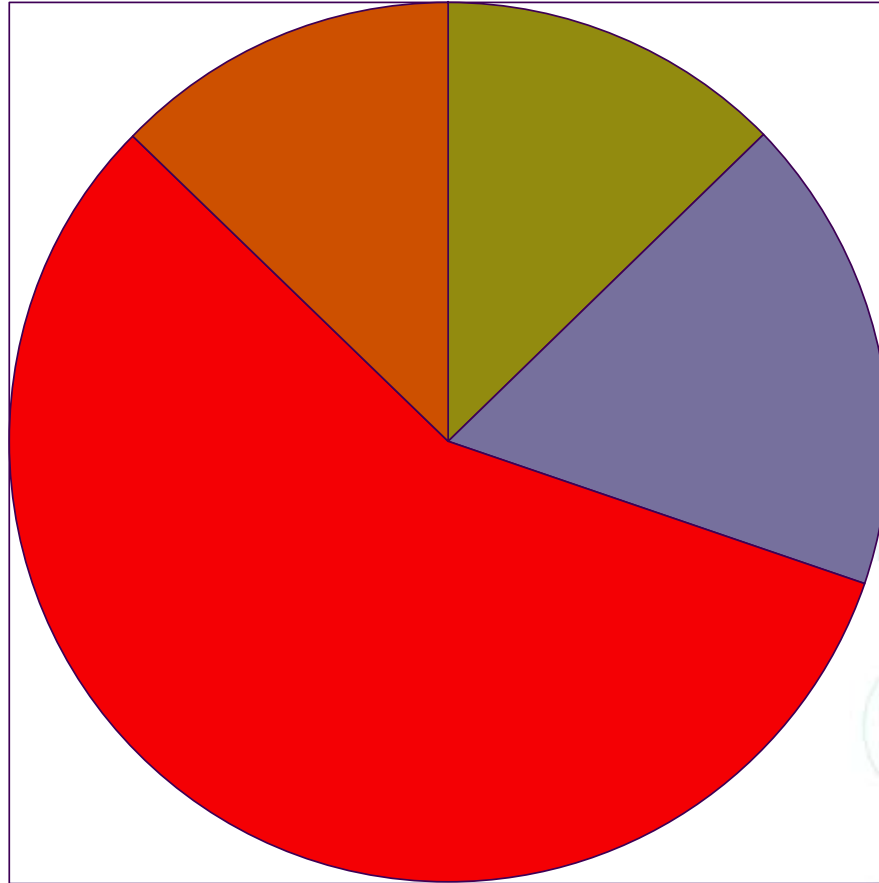
# Developing the analysis further

- Break the questions down into lower level issues, using the RULES:
  - Sub questions must follow “Yes/ No” rule
  - Sub questions must be “Mutually Exclusive”
  - Sub questions must be “Collectively Exhaustive”

# Not ME



# MECE



# MECE

**Question: Are pets good value for money?**

**Level 2**

<b>A. Caged pets?</b>			<b>B. Uncaged pets?</b>			<b>ME</b> Caged pets are different and distinct from uncaged pets
						<b>CE</b> all pets fall in to two categories- 'caged' and 'uncaged'.

**Level 3**

<b>1. Rabbits?</b>	<b>2. Hamsters?</b>	<b>3/4/5 etc. Other caged pets?</b>	<b>1. Dogs?</b>	<b>2. Cats?</b>	<b>3/4/5 etc. Other uncaged pets</b>	<b>ME</b> Hamsters are different and distinct from rabbits, which are different from 'other caged pets' etc
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**Level 4**

Sub-questions/answers cover all relevant aspects of keeping domestic animals (e.g. return of affection; time required; cost; etc.)						<b>CE</b> sub issues/ answers are sufficient to answer the question (the logic being that no aspect of keeping domestic animals is excluded)
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# Two further rules....

- **Rule of Seven**
- **Rule of One**

# Do the following questions imply a particular answer? Or are they neutral?

- **Has the Department used Consultants effectively?**
- **Has the Department made full use of its Consultants?**
- **Did the Department appoint Consultants without a fully evaluated business case?**
- **Could Consultants have been used more effectively?**
- **Was the use of Consultants VFM?**

# In Conclusion: The benefits IADP delivers to the NAO

- **Helps to produce well structured reports to time & budget**
- **Issue Analysis helps answer the following questions:**
  - What is the study is about?
  - What evidence do we need to gather?
- **Dinner Party goes on to help answer the following questions:**
  - What does the evidence shows?
  - What should the report say?



# Some thoughts on Issue Analysis by staff at the NAO

Questions?