Business Critical Models in the Ministry of Defence in 2017

1. We are publishing a revised list of the MOD's business critical models[1] as of 1st April 2017, as part of our response to the Macpherson Review of Quality Assurance of Analytical Models. We have continued to regularly update and publish a list of the department's business critical models on our website[2]. The list of Business Critical Models is expected to change over time as existing models are revised or retired and new models added. The list that has been published represents the most up-to-date version, and supersedes any previously published lists.

Background

2. Following the problems in the award process for the InterCity West Coast franchise by the Department of Transport, Sir Bob Kerslake and Sir Jeremy Heywood commissioned a review of the quality assurance of analytical models that inform policy across government. The review was led by Sir Nick Macpherson, Permanent Secretary at the Treasury, who published his Review of quality assurance of government models in March 2013.

How have we implemented the Macpherson Review?

3. As required by the Macpherson Review[3], our governance statement must confirm that we have an appropriate quality assurance framework for analytical models. So we asked each Arm's Length Body that has one or more business-critical models to confirm their arrangements are appropriate in their annual Assurance Statement. Our governance statement is published in the department's annual reports and accounts[4].

4. MOD has well established arrangements already. To further strengthen our processes and documentation - as well as our culture and the environment in which quality assurance takes place - we are implementing an Action Plan. For example, we are:

   - implementing the recommendations of a recent report by Defence Internal Audit;

   - improving our governance arrangements, for example ensuring each business-critical model has a Senior Responsible Owner;

   - ensuring our processes and guidance are clear and cover quality assurance arrangements;

   - promoting a pro-quality assurance culture, for example by using Modelling Champions in key organisations and, where appropriate, including quality assurance as a work objective for staff; and,

   - promoting transparency by publishing a list of our business critical models below.

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[1]As suggested by the Macpherson Review, we define a model as business critical if it drives key financial and funding decisions, it's essential to the achievement of our business plan, or if error could lead to serious financial, legal or reputational damage.

[2] https://www.gov.uk/government/collections/business-critical-models-ministry-of-defence

[3]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206946/review_of_qa_of_govt_analytical_models_final_report_040313.pdf

[4] https://www.gov.uk/government/collections/mod-annual-reports