

MEDIA STATEMENT



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AUDITOR GENERAL FINDS WEAKNESSES IN PROCUREMENT OF INFORMATION AND COMMUNICATION TECHNOLOGY

In his latest report tabled in Parliament today, the Auditor General has found a number of weaknesses in the Department of Health's ongoing procurement of a vital new statewide Patient Administration System (PAS).

Acting Auditor General, Mr Glen Clarke, said the report titled ICT Procurement in Health and Training examined Information and Communication Technology (ICT) procurement at the Department of Health and the Department of Training and Development.

"At Training we found the planning and awarding of contracts for ICT services was generally sound," he said.

"At Health we focused on the ongoing procurement of a new statewide PAS, and we found that in this case Health has not performed well."

A PAS records and provides access to personal information and helps manage patient care from admission to discharge. Some clinical procedures cannot take place safely without access to patient records and a fully functional PAS can also help ensure timely response to disease outbreaks.

"Health first recognised 10 years ago that its existing PAS was a risk to its operations, and yet it has still not rolled out a replacement," Mr Clarke said.

"Six years ago, Parliament provided the necessary funds to replace the existing PAS however the funds remain largely unspent and the State still does not have a PAS replacement.

"Trials of a new PAS are expected to commence in 2011 but it is unlikely that the new systems will be operational in metropolitan WA until at least 2014 and in regional WA until 2018."

Mr Clarke said the new PAS may not be fully operational in time for the scheduled opening of the Fiona Stanley Hospital in May 2014.

"This could delay the opening of the hospital or require costly interim solutions to be put in place," he said.

"ICT procurement is a complex and time consuming task that requires significant planning, negotiation and ongoing monitoring.

“It is not uncommon for ICT procurement projects such as PAS to experience delays and cost overruns, however if the PAS procurement had been handled effectively by Health a new PAS could have been in operation by 2006.

“Weaknesses in Health’s planning and governance of the PAS procurement, the negotiation of PAS related contracts and the monitoring of contract performance have all contributed to the delay.”

Mr Clarke said the WA Government spends about \$800 million every year on procuring ICT goods and services.

“Given the high risk of cost overruns and time delays in relation to major ICT projects, it is vital that these procurements are done right, both in terms of value for money and meeting the required purpose” he said.

“It is also important that any ICT procurements receive close and regular attention by senior management.

“Agencies should be aware of and learn from the experience of others and from their own experience. This is particularly important for any procurement activity but particularly so for ICT procurement because of its high risk and high value.

“We intend to maintain a focus on this important area in our future audit program.”

The Auditor General’s report, ICT Procurement in Health and Training, can be viewed at www.audit.wa.gov.au.

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