19 June 2019

Weaknesses in governance and project management at WA Health delay major ICT project

Western Australia's Auditor General, Ms Caroline Spencer, has audited a project to replace PathWest's Laboratory Information System, and the findings are detailed in a report tabled in Parliament today.

The audit looked at whether WA Health effectively managed a project to replace PathWest's Laboratory Information System to deliver outcomes on time and on budget. It also assessed if the current information system (ULTRA) still meets the operational needs of WA's health system.

The _PathWest Laboratory Information System Replacement Project_ report concluded that the Laboratory Information System replacement will be 2 years late and cost $50.5 million, which is an increase of more than $23.7 million against the project's original approved budget.

The report explains how better portfolio governance and project guidance could have detected issues in the Laboratory Information System project and enabled earlier intervention.

'Early project management was ineffective and did not reflect the size, risk, and importance of this ICT project', Ms Spencer said.

The audit revealed that a key cause for time and budget increases was PathWest's underestimation of the cost and effort of its own staff working to customise the new system.

We also found that the existing and out-dated ULTRA system continues to meet PathWest's primary needs, however it has ongoing system faults.

Major ICT projects are rarely simple and successful delivery remains challenging. The report makes a range of improvement recommendations for PathWest, the North Metropolitan Health Service, the Department of Health, and Health Support Services.

The report also includes important learnings about the Laboratory Information System project.

'I have made recommendations about tailoring governance to meet project risk in a distributed system, in line with changes already initiated by the Department of Health and Health Support Services. These are relevant across WA Health and for other entities embarking on major ICT projects across the public sector', said Ms Spencer.

You can read today's report at www.audit.wa.gov.au.

ENDS

Report resources

- PathWest Laboratory Information System Replacement Project – Report PDF version
- PathWest Laboratory Information System Replacement Project – summary video

Follow us on
Twitter @OAG_WA