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Western Australian Auditor General's Report

ICT Procurement in Health and Training

Report 9 – October 2010

THE PRESIDENT
LEGISLATIVE COUNCIL

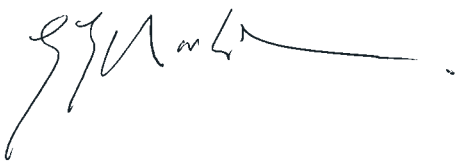
THE SPEAKER
LEGISLATIVE ASSEMBLY

PERFORMANCE AUDIT – ICT PROCUREMENT IN HEALTH AND TRAINING

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of the overall audit program. They seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

The information provided through this approach will, I am sure, assist Parliament in better evaluating agency performance and enhance parliamentary decision-making to the benefit of all Western Australians.



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ACTING AUDITOR GENERAL
13 October 2010

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Auditor General's Overview

Effective implementation of new ICT systems in the public sector can provide great benefits to the community by improving the efficiency and effectiveness of services provided to the public. However, procurement of new ICT systems is invariably complex. Cost overruns, time delays and performance issues are a common occurrence in both public and private sector ICT procurement.

Three years ago we reported on ICT procurement in government and concluded that it was not done well. However the types of things that can go wrong are now more predictable and better understood. Expectations should therefore be rising that the outcomes from government ICT procurements will be favourable to the taxpayer.

In this report on ICT procurement by the Department of Health (Health) and the new Department of Training and Workforce Development (Training), we noted that the two agencies used different business models to procure ICT. For most of its procurement planning, Health relies on contractors mainly procured under its own Common Use Arrangements. It also prefers to buy whole ICT systems from external suppliers, and to rely on the suppliers to develop and service the systems to suit Health's needs over the life of the system. Training prefers to develop and service ICT systems in-house using mainly ICT experts procured under a Common Use Arrangement set up by the Department of Treasury and Finance.

The choice of model is obviously one for agency management based on a realistic assessment of agency capabilities and capacities as well as the prevailing ICT environment. They also need to be aware of, and adequately manage the risks inherent in implementing each model.

We found that ICT procurement at Training was generally sound, however there was room to improve management of its ICT contract labour. Health had not performed well and faced a number of challenges in its management of ICT procurement.

This report serves as a reminder to all agencies that ICT procurement requires close and regular attention by senior management. We intend to maintain a focus on this important area in our future audit program.

Executive Summary

Introduction

Information and Communications Technology (ICT) is often critical to the efficient and effective delivery of government services. It is also costly. Annually the WA public sector spends about $4 billion on all goods and services. Approximately $800 million of that – or one dollar in every five – is spent procuring ICT goods and services.

Experience here and overseas shows many major ICT projects are not delivered on time and on budget, and often fail to achieve their intended benefits.

We looked at specific ICT procurements in two large agencies – the Department of Health (Health) and the Department of Training and Workforce Development (Training). We also looked at the roles of the Department of Treasury and Finance (Treasury) and the Office of eGovernment, now part of the Public Sector Commission (the Commission). We did not audit the actions of any private sector suppliers or contractors.

At Health we focused on the procurement of a new statewide Patient Administration System (PAS) as well as on the procurement of ICT services. A PAS is an electronic record system. It 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. A fully functional PAS can also help ensure timely response to disease outbreaks. The most recent estimated cost of a new statewide PAS system in April 2009 was $115.4 million.

At Training we focused on the procurement of ICT services. Training relies on contracted specialists to design, develop and implement systems and enhancements. Its main task is supporting the State's 10 training colleges. The key operational needs include curriculum, teaching materials, course management and student records. In 2009 there were 157 000 students enrolled in these colleges.

Our objective was to assess if the agencies had carried out these procurements well. We had three lines of enquiry:

- Did the agencies plan the procurements well?
- Did they award contracts properly?
- Did they monitor contract performance to ensure they achieved desired outcomes?

Audit conclusion

Health's procurement of a new PAS has not been done well. It has been 10 years since a PAS replacement was first identified as a priority by Health, and six years since Parliament provided the necessary funds, subject to Health first satisfying certain conditions. However, the funds are largely unspent, the State still does not have a PAS replacement and it is unlikely to have one in all metropolitan hospitals until at least 2014 and 2018 in regional areas.

Weaknesses in the 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. There has also been poor recordkeeping of all milestone activities – including financial.

At Training the procurement of ICT services was generally sound. However, we found aspects of contractor monitoring was poor.

Key findings

At Health we found:

- It has taken too long to procure a new PAS. Ten years after recognising that its existing PAS arrangements were a risk to its operations, Health still has not rolled out a replacement though it had initially committed to a replacement in 2009. The initial rollout will now not begin until 2011 and the new PAS is unlikely to be fully operational in the metropolitan area until at least 2014 and in regional areas until 2018. The delay means Health's operations remain at risk from inflexible technology and out-of-date hardware.
- Good governance and planning are critical to successful ICT procurements but they have been poor in the PAS procurement. Health's governance arrangements were unstable and poorly defined. It was still identifying its business needs and requirements when it agreed to procure a replacement PAS from the supplier of its existing PAS.
- Health has been consistently unable to provide a business case that Government considered suitable, in order to enable access to funding for implementation of its new PAS.
- Contracting for PAS failed to promote open and effective competition and increased the State's risk. Specifically:
    - Health increased the State's risk by contracting out of standard clauses in the 2004 PAS support and maintenance contract without documenting the reasons for doing so.
    - Health did not test the market before obtaining a licence for a new PAS in 2009 from the supplier of its existing PAS. Testing the market helps ensure taxpayers are getting value for money.
    - Health does not currently have a formal contract in place for PAS support and maintenance or its new licence. The existence of a formal contract provides assurance that the parties have considered and agreed all relevant terms.
- There was inadequate contract monitoring. Health did not monitor financial progress of the PAS procurement. It took two years for Treasury and Health to resolve Treasury's concerns about acquittal of moneys spent on eHealthWA programs up to 2008, including PAS. It also inadequately monitored contract delivery and performance. It did not ensure that the necessary managers had good knowledge of and access to contracts. Some contracts lacked performance criteria. Where there were criteria, Health did not adequately monitor performance against them. Monitoring is critical to ensure that contracts are delivering outcomes as intended.

- Identification and management of conflicts of interest was inadequate. There was no system requiring contractors to declare interests, and no central register of interests. Procurement is a recognised high risk area for conflicts of interest.
- Recordkeeping was inadequate. Health's management of PAS procurement records was poor. It could not provide adequate, and in some cases any, records for key milestones and decisions. This reduced transparency and accountability.

At Training we found that planning and awarding of contracts for ICT services was generally sound. However:

- There was poor performance monitoring of contractors:
  - There was no routine monitoring of contractor performance.
  - Identification and management of conflicts of interest was inadequate.
  - Training did not ensure that the managers of the ICT contractors had the necessary knowledge of and access to contracts.
- Training has relied on contractors at significant cost to maintain and enhance existing systems or to develop new systems. It has not reviewed this approach for at least five years to determine if it still provides the best value for money.

What should be done?

Health should ensure the efficient, effective and timely replacement of PAS. Specifically it should:

- prioritise the replacement of PAS in accordance with the identified risk
- work with Treasury to develop a business case that satisfies government and facilitates the release of funds
- not remove standard contract clauses without seeking appropriate advice and clearly documenting the reasons for doing so
- provide sufficient time to test the market and promote open and effective competition in future procurements
- put in place stable and appropriate governance arrangements
- adequately monitor financial and contract performance
- introduce adequate systems to identify and manage conflicts of interest
- ensure its recordkeeping meets the requirements of the *State Records Act 2000*.

Training should ensure that it adequately monitors contractor performance including conflicts of interest.

Response by Department of Health

WA Health has moved to address the commercial and legal relationship with the PAS licence holder. It is confident that it will have an initial rollout of the PAS from mid 2011.

WA Health has also strengthened the ICT project management and governance framework ensuring suitable protocols for reporting, recordkeeping, controls and accountability.

Response by Department of Training and Workforce Development

The Department of Training and Workforce Development was established on 30 October 2009. Subsequent to this, the Department commenced demerging from the Department of Education, a process which is still under way in some areas of ICT. The practices under review in this audit reflect those prior to the establishment of the new Department. The Department of Training and Workforce Development acknowledges the issues highlighted in this report and is now in a position to address these matters.

Response by Department of Treasury and Finance

DTF will work with Health to implement the recommendations of the OAG report.

Response by Public Sector Commission

The Public Sector Commission is maintaining essential ICT functions of the former Office of e-Government (OeG) while the Economic Audit Committee recommendations concerning government CIO and CTO roles are being considered. OeG had an investment advisory role and was not directly involved in purchasing ICT for agencies.

ICT Procurement if done badly can cause significant additional cost

ICT procurement involves significant risk

ICT offers the promise of delivering existing services faster, more conveniently and at less cost to the taxpayer. It also opens up the possibility of new types of services.

To get the most effective ICT solution requires matching current technology to business needs. Understanding business needs and selecting the right technology to deliver the appropriate solution is a complex task involving numerous risks.

Hardware and software technologies are continually evolving. ICT is technical by its nature and might not be well understood by managers without an ICT background. It can also take five or more years to plan for, acquire, and implement complicated systems.

ICT procurement is also costly. Approximately $800 million annually is spent by the WA public sector procuring ICT goods and services. This represents one dollar in every five of the sector's total annual spend on all goods and services.

The annual figures for central procurement at Health and Training are $68 million and $15 million respectively. The Health figure excludes ICT spending by individual hospitals and health services. The Training figure excludes spending by individual Training colleges.

ICT procurement is often done badly

There are numerous examples of ICT procurements that have resulted in missed deadlines, budget blowouts and failure to realise promised benefits.

The examples can be found in the private as well as the public sector and across federal and state jurisdictions. A 2007 audit by this Office found that ICT procurements by the WA public sector were not being done well. Projects often took two to three times longer than expected. Budgets were often exceeded by more than 100 per cent and intended benefits were often delayed or not fully realised.

There are different business approaches to procuring ICT but the rules are the same

In the public sector, ICT goods and services can be procured in different ways. ICT systems can be bought from private sector suppliers who may offer a package deal including maintenance and support. Alternatively they can be built by the agency using ICT specialists working as permanent staff or as contractors.

Market circumstances may dictate the business approach. Economic booms are often characterised by significant takeover activity in the private sector. In the ICT context this may reduce the number of suppliers as well as increase costs.

Regardless of the approach taken, ICT procurements by state government agencies must be conducted within WA's procurement framework. This is set out in legislation, government policy and guidance, and agency policies and procedures.

The main features of the framework are:

- The legal requirement, set out in the *Financial Management Act 2006* and before that, the *Financial Administration and Audit Act 1985*, that agencies ensure all their activities are conducted efficiently and effectively.
- Government policy on
  - *Open and Effective Competition*. This emphasises the need to regularly test the market to '(provide) suppliers with fair and equitable access to government supply opportunities whilst maintaining the transparency and integrity of government procurement'.
  - *Common Use Arrangements (CUA)*. These are whole-of-government standing offer arrangements under which agencies can choose from a pool of pre-qualified suppliers to obtain commonly used goods and services.
- Treasury template contractual clauses. These help ensure all common contractual issues and risks are considered and the interests of both parties are adequately balanced.
- Until 2008 Treasury approved and signed off high dollar value ICT contracts. The State Supply Commission had the power to exempt individual contract processes from complying with government policy. Since 2008 Treasury has had an advisory role and agencies make and sign their own contracts. In addition, agency chief executive officers can exempt particular procurements from most of the rules relating to open and effective competition if they consider that there are 'exceptional circumstances' and justification for that decision is documented. However, where a CUA has been established, a public authority must use it unless Treasury has approved alternative arrangements.

Good practice in ICT procurement is evolving.

International and Australian experience indicates good practice in ICT procurement is still evolving. There is growing recognition of differences between procuring ICT and other types of goods and services. In addition, the basic tools and techniques to manage ICT procurement are still being developed.

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

Our review identified ICT procurements commonly fail because of:

- passive rather than active executive governance
- unanticipated and poorly managed changes to scope and requirements
- technical complexity
- inadequate costing
- over-optimistic deadlines.

We also identified critical success factors:

- breaking large ICT programs into smaller individual projects
- breaking high risk, complex and high cost projects into phases, each with several formal go/no go decision points
- stable and involved executive management over the lifetime of the program
- having at least one, and ideally two, senior responsible officers for larger projects to ensure continuity of management
- having executive sponsors drawn from the business who are accountable for the delivery of each project
- clearly defined roles and responsibilities
- using a mix of 'carrot and stick' provisions in supply contracts so that all parties share benefits and losses
- actively monitoring and enforcing contract performance
- basing contract specifications on good knowledge of the business processes and procedures
- allowing sufficient time for planning a replacement. This can mean starting the process years before existing contract/s expire
- carrying out due diligence on a supplier's capacity to deliver throughout the life of long and complex procurements
- sound budget management and reporting.

Government's strategic support for ICT is also evolving

In late 2008 the Office of eGovernment was transferred to the Public Sector Commission. Set up in 2003 the Office was responsible for strategically transforming the operations of government, using technology as a tool. At the time of the transfer it had 32 full-time equivalent positions and a budget of about $3.7 million. The staff occupying these positions were dispersed around the Commission. Currently about six of them are still providing ICT related advice and support including two at the strategic level.

In October 2009 the Economic Audit Committee recommended the establishment of a Chief Information Officer and a Chief Technology Officer with a similar focus on providing strategic direction in ICT. The government is currently considering the Committee's recommendations.

Agencies involved in the audit

The audit primarily involved:

- Department of Health
- Department of Training and Workforce Development, which until November 2009 was part of the former Department of Education and Training (referred to here as Education).

We also included central agencies involved in ICT procurement:

- The Department of Treasury and Finance
- Office of eGovernment, now part of the Public Sector Commission.

Audit focus and scope

At Health we assessed the adequacy of the procurement of a new PAS as well as procurement of ICT services. Training unlike Health was not in the process of procuring a major ICT system. We therefore focused on the procurement of ICT services to support and enhance existing systems.

We defined procurement broadly to cover the full life cycle of a purchase. Specifically we examined whether Health and Training:

1. planned the procurement well
2. awarded contracts properly
3. monitored performance under the awarded contracts to ensure they were achieving desired outcomes.

As part of our audit we:

- reviewed international and Australian experience in ICT procurement
- reviewed government procurement policies and agency contract arrangements
- reviewed available agency documentation including Cabinet minutes, business cases, budgets, strategy documents, policies and procedures, and project documents
- interviewed senior officers, contractors and project management staff
- tested samples of contractor contracts.

We audited the actions of public sector entities only. We did not audit the actions of any private sector suppliers or contractors.

The audit was conducted in accordance with Australian Auditing Standards.

Health's PAS procurement has not been done well

Findings

- Health has taken too long to procure a new PAS. Ten years after recognising its existing PAS as a risk to its operations it still has not rolled out a replacement. Rollout of a replacement in the metropolitan area is unlikey to be completed until at least 2014 and 2018 in regional areas.
- Governance and planning of the procurement were poor.
- Health's PAS contracting failed to promote open and effective competition and has increased the State's risk.
- Contract monitoring was inadequate.
- Identification and management of conflicts of interest was inadequate.
- Health's recordkeeping was inadequate.

A Patient Administration System is critical to good patient care

A PAS is an electronic system that records and provides access to personal information about patients. In its most basic form this will include their name, address, age and gender. More sophisticated systems also provide medical history, pharmacy and pathology information, booking services and referrals.

A PAS is one of the most critical systems in the public health sector because its loss can directly impact patient care. It enables effective care planning and continuity of care for patients from one care setting to another. It also avoids relying on patients having to explain their own care needs to each new clinician. A typical public sector hospital requires a PAS to operate 24 hours a day, seven days a week.

A fully functional PAS can also help ensure timely response to disease outbreaks by automating the process of tracing infected patients and their contacts. An example of this occurred during the Vancomycin Resistant Enterococci outbreak at Royal Perth Hospital in 2001. Six months before the outbreak, clinicians requested the development of a micro-alert code to assist in tracing infected patients. However, this was not done because the PAS lacked the system flexibility and the cost of creating the flexibility was considered too high. Subsequently, Health designed the code to enable it to respond to future outbreaks though it took three weeks to develop.

Health has two PAS systems. One is used by its metropolitan hospitals and Bunbury regional hospital (the metro system). The other is used by the rest of its country hospitals (the country system). The metro system was bought in 1995 and rolled out over the next three years after it was first customised to fit Health's business processes. The country system was developed and is still maintained using in-house resources.

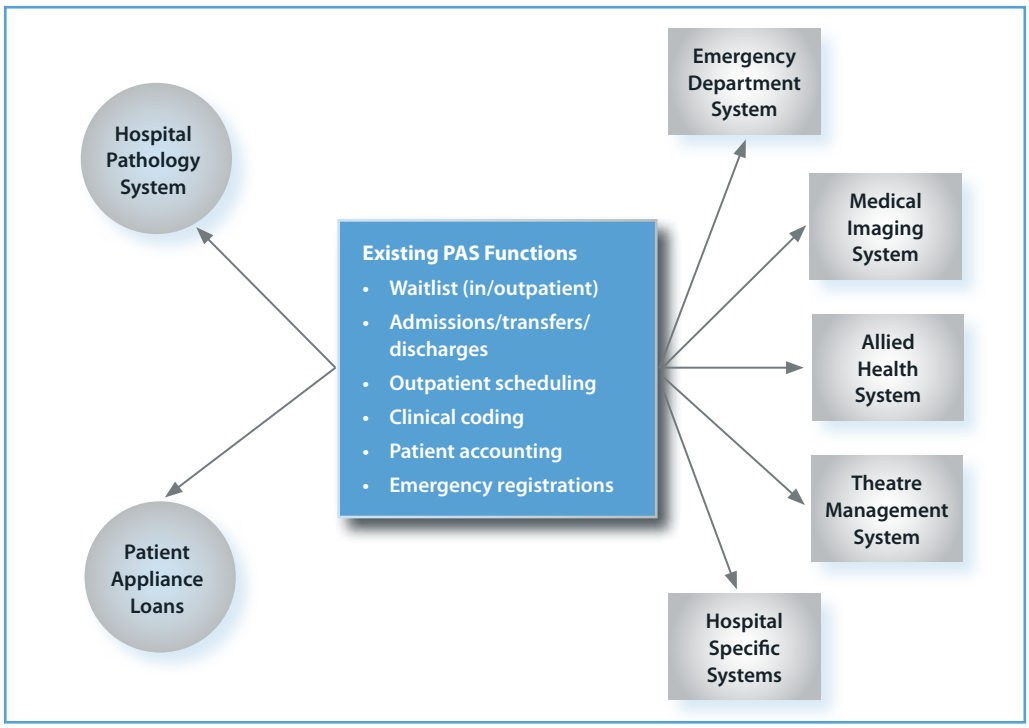

Figure 1: PAS functions in 2002

The PAS impacts on many aspects of healthcare.

Source: Health, adapted by OAG

The Health Information Network is responsible for procuring key ICT including PAS

Health's preferred approach to ICT procurement is to buy systems rather than develop them in-house. It also prefers the suppliers of its systems to provide the maintenance and support.

The procurement of major new systems and maintenance and support of existing ones is centrally managed by the Health Information Network (HIN). Headed by a Chief Information Officer, HIN has a total complement of about 600 people including 142 contractors. Most of them are ICT and project management specialists retained under its long-standing InfoHealth Alliance arrangement or under a Common Use Arrangement.

One of HIN's main responsibilities is implementing eHealthWA, a $335 million program to replace several ICT systems as part of the $1.7 billion Health Reform Agenda. The replacement of Health's two PAS systems with a single state-wide system is a priority of eHealthWA, and has been since at least 2004 when Parliament authorised government to set aside $52 million for the new system.

As was the case with all Health Reform Agenda funding, Health's access to the PAS funds was made subject to it first submitting a satisfactory business case to government for approval.

Health has taken too long to procure a new PAS

Health identified its PAS arrangements as a significant risk to its operations in 2000. Specifically, Health was advised by the newly-formed InfoHealth Alliance that:

- the PAS hardware platform was out-dated and unsupported
- the metro PAS supplier would cease supporting that software by mid 2002. Health was told this would mean increased maintenance costs and an ever-decreasing pool of available specialists to support it.

However, 10 years later Health has still not implemented a PAS replacement and is unlikely to do so until at least 2014. Arguably, this is eight years later than was achievable.

Experience interstate and overseas indicates that planning to acquire a new system like PAS takes up to two years. Procurement of the new system assuming an open tender process may take another six to 12 months while the rollout of the system can take another two years. This suggests that Health should have been able to plan for, acquire and implement new PAS arrangements by 2006.

At August 2010 Health still had no approved timeline for completion, though it expects the PAS rollout to begin in mid 2011 and to be completed in metropolitan hospitals by 2014 and in country hospitals by 2018. The status of key stages of the procurement (discussed in further detail later) include:

- the latest business case has not been formally submitted to government
- business needs are being determined following the fourth round of stakeholder consultations since 2001
- a software licence for a replacement statewide PAS solution was acquired in May 2009 from the supplier of the current metropolitan PAS
- negotiations to finalise the formal contract for the replacement PAS began in June 2010
- the new PAS solution is expected to be piloted next year at two hospitals
- rolling out the new PAS solution to the metro and country PAS system sites will follow successful completion of the pilot phase.

The inability to achieve a timely implementation of PAS has real and potential risks and consequences:

- Health is unable to realise the financial benefits and convenience of running only one PAS system instead of two
- the hardware platform used by both of Health's PAS systems is outdated and at risk of failure. Replacement hardware can only be sourced second-hand from one overseas supplier
- full maintenance and support for the metro PAS is critically dependent on two contractors. The two have been working on the PAS system from 1995 and are considered the only people capable of handling system emergencies.

- as we reported in June[1] 2010 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.

Governance and planning were poor

Good governance and planning are critical to the success of any procurement. They help ensure benefits are achieved and procurements deliver value for money. They also help ensure compliance with the procurement framework outlined on pages 9 to 10. We found:

- Health was consistently unable to provide a PAS business case that government considered suitable
- unstable governance arrangements impacted on Health's ability to effectively deliver the PAS
- key roles and responsibilities were not clearly established
- Health acquired a licence for a new PAS solution before resolving its business needs and requirements.

Health has been consistently unable to provide a PAS business case that government considered suitable

Health was unsuccessful on at least four occasions in convincing the government to release the funds it needed to progress its replacement of PAS.

In 2004 Parliament appropriated $1.7 billion to implement government's Health Reform Agenda of which $335 million was earmarked to replace various ICT systems. $52 million was assigned to replace Health's two PAS systems with a new statewide PAS.

However, Health's access to the Health Reform Agenda funds was made subject to it submitting business cases and planning details to government for approval. As a matter of law the access restriction meant the funds were to be withheld at the Treasurer's discretion until Health complied with this requirement. Treasury advised us that by convention the discretion is exercised by Cabinet on advice from the Expenditure and Economic Review Committee (EERC).

The restriction was disclosed in the 2004-05 and subsequent budget papers as a footnote. The 2004-05 footnote stated that the restriction "Reflects global funding to be applied to health reforms and related broader health initiatives as part of the Department of Health's Capital Works Program".

Treasury advised that it considered the footnote sufficient disclosure. However, we believe that appropriate disclosure would include the reasons for the withholding of the funds and a schedule or timeframe for Health to get the required approvals. The footnote provided neither.

Over time, the stated purpose of the funding has also changed. In 2004 it was to fund the specific requirements of the Health Reform Agenda which included eHealthWA. In 2010 the footnote described the purpose as "broader health reforms and related broader health initiatives as part of WA Health's Asset Investment Program".

1 *Fiona Stanley Hospital Project*, Report 5 of 2010.

The discretion to withhold appropriated funds can impact significantly on an agency's capacity to deliver services and initiatives approved by Parliament. Further, without clear information about the status of appropriated funds, Parliament is not in the best position to carry out oversight of agency expenditure and outcomes, or to make sound decisions on future appropriations.

The process for lifting the restriction involved Health submitting business cases and plans to the EERC, (previously the Expenditure Review Committee). Prior to doing so it could seek advice from Treasury. The EERC would make recommendations to Cabinet, normally after receiving advice from Treasury, and Cabinet would make the final decision on releasing the funds.

Broadly speaking a good business case will:

- be based on sound business and market scanning
- be aligned to agency and government objectives
- clearly identify procurement costs and benefits
- include all necessary supporting plans
- be formally approved by the agency.

A good business case cannot ensure that government will release funding. The final decision will reflect other considerations, such as whether there are more pressing demands for the funds. However, we expected that Health would make all efforts to ensure it satisfied the basic requirements. We noted instances where Treasury and the Office of e-Government provided detailed advice, questions and comments on Health business cases. The comments indicated the business cases did not meet expectations. In some cases Health endeavoured to satisfy these comments. In other cases it appeared not to and either did not proceed with a formal submission to government or made no changes before doing so.

Health advised its failure to address comments and proceed with business cases was in part due to changes in its procurement strategy. For example, when it first sought funding for the PAS replacement in 2002 it considered it a standalone project. When it tried again in 2003 it presented it as part of an omnibus ICT program. Subsequently it decided to push the project jointly with the replacement of one of its clinical systems. By 2008 it was again seeking funding for the PAS replacement as a standalone project.

In February 2009 Treasury advised it would take some months to review the latest submission from Health. As a result, Health in April 2009 decided to put up a submission to access the balance of eHealthWA funds which it understood to be $326.2 million. Confusion about the correct process for making the submission caused further delay and Health had still not put up the submission for EERC consideration by September 2010.

It was difficult to trace the history of Health's attempts to get access to funds because of poor recordkeeping. We discuss recordkeeping in more detail later in this report. The table below sets out the history to the extent that we were able to reconstruct it.

2002	Health ICT submitted a business case to Health's Information Management Governance Committee to replace the PAS. The case was supported in principle but no Health capital funds were allocated. Later the same year Health put up a business case to the Government requesting $340m in new capital funds for all its ICT needs, including PAS. No capital funds were allocated.
2003	Health put a new submission to the Government seeking new capital funding of $570m for its ICT needs including PAS. No funds were allocated.
2004	In May the Government announced $1.7b in capital funding for health reform, including $335m for eHealthWA. It also announced Health's access to the funds would be restricted. The Budget Papers included a 10 year schedule of funding for Health ICT, commencing in 2004-05 with $7.5m. Health subsequently requested release of $7.5m. The Government released $1.1m. Later the same year Health requested the release of the remaining $6.4m, for preparatory planning work for ICT projects, including PAS.
2005	Health sought advice from Treasury on an Expenditure Review Committee submission and related business case. The submission was for eHealthWA including PAS. Health received some advice but did not proceed with the submission because of a change in strategy.
2007	Health made a submission to the Government for release of $22m. Included business case for new pharmacy system, and general submissions to establish a project management office and commence processes for replacing PAS. Government allocated $19m. Health successfully procured a new pharmacy system and set up the new project management office.
2008	In April Health put a submission to the Government for $27m over two financial years for urgent eHealthWA projects, including PAS. Government agreed to release $21m in December 2008, and made further releases subject to Health providing a full acquittal of how it had spent funds released to date. Health did not do this.
2009	In February Health forwarded a business case for eHealthWA to Treasury for comment. Treasury advised it could not consider it for several months. In April the Minister for Health submitted a business case to the Treasurer as Chair of the EERC to release the remaining eHealthWA funds which it estimated to then be $326.2m. Health has been advised that the submission has to first go to the Cabinet Services Office. Health is yet to do this.

Table 1: Health funding submissions 2002-09

Source: Health and Treasury

Unstable governance arrangements impacted on Health's ability to effectively deliver the PAS

Stable governance is a critical success factor to ensuring that procurements are delivered on time and on budget. It becomes more important the longer the procurement takes. We expected to find stable and appropriate governance arrangements in place for both program and project management of the PAS procurement. This was not the case.

In the previous section we highlighted that Health's procurement strategy for PAS changed a number of times. The strategy ranged from PAS being an individual procurement project, to being part of a small group of ICT procurements, to being part of the broader eHealthWA program. Governance arrangements changed with each change in strategy. This instability contributed to the failure to successfully procure a new PAS.

The first governance arrangements were implemented in 2004. Directors were assigned to all eHealthWA projects, including PAS. The project directors reported through Steering Committees, Executive Sponsors and the Senior Health Executive, to a peak council for the whole program, then called the Health Reform Implementation Taskforce.

In 2007 Health engaged a consultancy firm to review the governance of eHealthWA. It found:

- the governance arrangements were not based on defined standards or recommended practice
- responsibility for the program was not always clear
- it could not determine if the program was performing at an acceptable level.

The consultants proposed a new governance arrangement which was accepted by Health. However, a Treasury Gateway Review in 2008 of two projects including PAS found that the new arrangement had not been implemented and commented that 'It is not known when (it) will be.' Subsequent to the review an eHealthWA Projects Council was established as the peak body and in 2009 a Clinical Reference Group was set up.

In February 2010 when we commenced our fieldwork we were advised of a proposal to introduce another arrangement. Under this new arrangement, all ICT projects including those under the eHealthWA umbrella, would be overseen by a Health Projects Board. The proposal was approved by the Director General in July 2010 and is being implemented.

We also noted high turnover amongst senior Health personnel, the Health Information Network and project management levels since 2007 that would have further unsettled governance arrangements:

- three directors general
- four chief information officers
- two PAS project executive sponsors
- three PAS project managers
- three program directors.

Key roles and responsibilities were not clearly established

Good corporate governance of ICT projects requires clearly established roles and responsibilities at all levels of operations. Given the amount of change in governance arrangements it was not surprising to find that roles were not filled and responsibilities were not clear.

We found evidence that key committees had not met as scheduled. The PAS Project Control Group was formed in mid-2009 but did not meet from November that year until April 2010. There was no dedicated project manager for PAS for five months in 2010.

Project sponsors are key players in delivering a project like PAS. The role was established in 2002, but it lapsed some time later. There is no record in Health of when this occurred. The current sponsor, an experienced project manager and quality reviewer, took on the role in mid 2009. However, no formal description or reporting relationship for this role was established.

Health acquired a licence for a new PAS solution prior to adequately identifying its business needs

Good practice and Treasury policy highlight the importance of identifying business needs before acquiring ICT. Failing to do this well increases the risk that the ICT solution will not meet requirements. It also increases the likelihood that business needs will have to be revisited. All of this will add to project costs and time.

Understanding business needs for PAS required consultation with key stakeholders. These included hospital CEOs, clinical staff, allied health professionals and administrators. Examples of business needs include being able to:

- identify patients
- respond to patient enquiries
- access information required for essential hospital services including critical Care Services.

Health acquired a licence for a new PAS in May 2009. Yet, in 2010 it was still conducting substantial consultation with stakeholders to clarify its business needs. This indicates that it did not adequately understand its needs when it contracted to acquire the new licence in 2009.

The 2010 consultation was the fifth such exercise carried out since the need to replace PAS was identified in 2000. The previous consultations took place in 2001, 2004, 2007 and 2009. Each involved the use of contractors.

The contractors carrying out the latest survey were only aware of one previous consultative exercise. They also told us they were consulting the business again because only about 20 per cent of the data previously gathered was useable. Repeating consultations with no effective learning or outcomes from previous exercises is inefficient and wasteful.

Health's PAS contracting failed to promote open and effective competition and has increased the State's risk

Open and effective competition is good practice because it can help agencies mitigate the risk of relying on specific suppliers. It also provides assurance that the agency and the taxpayer are getting value for money from government procurement. Government policy on Open and Effective Competition states:

> 'Applying open and effective competition provides suppliers with fair and equitable access to government supply opportunities whilst maintaining the transparency and integrity of government procurement.'

Open and effective competition requires testing of the market. Government policy permits different types of testing depending on the value of the procurement. For procurements of more than $150 000, agencies must go to open tender.

Government policy allows exemptions in 'exceptional' circumstances. One such circumstance is a bona fide sole-source-of-supply. Another is where a public authority has awarded a contract for a similar requirement through a competitive process within the previous 12 months and there is a reasonable expectation that the market has not changed.

Health used the maintenance and support contract for its existing PAS to purchase a replacement PAS without testing the market.

In 2009, Health took up an option under a clause in the maintenance and support contract of its existing PAS to acquire a licence for a new PAS at a cost of $1.5 million. This effectively committed the State to spending up to $115 million on implementing it. By not testing the market, Health failed to promote open and effective competition and may not have received the best value for money solution.

Health last tested the market for a PAS in 2001 and does not expect to do so again for at least another five years, a total period of 14 years. Good practice suggests the market should be tested more often, given the rapid pace of hardware and software development and the dynamic nature of the ICT supplier environment.

In 2001 Health issued a Request for Information for Patient Administration Systems. This identified 13 possible PAS software suppliers. The subsequent evaluation recommended Health go to tender for a PAS. This did not happen because Health did not secure the necessary funding as reported in the previous section.

In 2003 Health applied for, and received, a 'sole supplier' exemption from going to open tender for maintenance and support of its existing metro PAS. The exemption was granted by the State Supply Commission and meant Health could negotiate directly with the supplier of the existing PAS for these services.

In 2004 Health executed a maintenance and support contract with this supplier. The contract also included an option for Health to buy a statewide PAS replacement from the same supplier with the initial licence costs fixed.

In 2008 Health obtained an internal departmental exemption from going to open tender so it could again directly negotiate with the same supplier to roll over the maintenance and support contract until 2014. The exemption was again granted on 'sole supplier' grounds. The application for exemption stated that Health would go to tender for the replacement PAS.

Later the same year Health decided to exercise the option to buy its current supplier's PAS replacement product before the option expired. It believed this was the only practical action it could take because:

- the buy option was set to expire in March 2009
- it represented a cheaper upgrade opportunity than going to tender
- the existing PAS posed immediate business risks. At this time Health estimated:
  - there was a 'very high' likelihood of a major failure of the hardware in the next two or three years
  - the existing PAS could not be disentangled from the hardware
  - support for the existing PAS was no longer guaranteed. Its technical environment (the hardware platform and its operating system) was not supported and there were scarce skilled technical resources to support the existing PAS
- its inquiries within Australia had indicated open tender might offer the possibility of a more advanced state-of-the-art technology solution but at higher cost, greater risk and it would take too long
- the functionality of the replacement PAS on offer from its existing supplier was 'a reasonable fit' with requirements as they were then understood
- the other main replacement on offer in the market would not be able to communicate with the existing system during the transition period and Health considered the supplier of this alternative was committed to building its market share overseas.

In the circumstances as they existed in 2009, Health had run out of time to go out to tender for a replacement PAS. However, this was a situation of its own making. A tender takes time to plan and implement. On each occasion when Health had time to adequately explore all its options, including formally testing the market, it did not do so. This left it with little choice but to stay with its current supplier. While Health committed to new software this has not alleviated the concern with the hardware which will remain outdated until it is replaced.

We note that Health's assertion that exercising the buy option represented value for money was based on cost figures mainly sourced from the supplier. We also note that Health was still developing the project budget during the conduct of our audit. The most recent estimate for implementing the new PAS is $115.4 million.

Health has progressively increased the State's risk under its PAS contracts

All contracts involve sharing risk between parties. When contracting on behalf of the State, agencies need to ensure that they balance the interests of both parties and consider all common contractual issues and risks. We found Health's contract negotiations were inadequate, with the result that the State's risks were unduly increased. Specifically, it agreed to remove over time standard contractual clauses that protected the State's interests and, more than 12 months after it entered into its latest PAS arrangements, it had failed to formalise them in an executed contract.

Standard contractual clauses were dropped

General Conditions of Contract for the Provision of Services were issued by Treasury in 1996 and again in 2005, 2008 and 2009. These conditions consistently:

- require goods and services to be received before payment is made
- make time of the essence, meaning that a failure to provide goods and services on time permits the State to terminate the contract
- set out clear options for addressing poor performance including the right to:
  - reject inferior performance
  - impose penalties for poor performance
  - submit disputes to a defined and final alternative dispute resolution process
  - terminate the contract.

ICT contracts commonly include 'escrow' arrangements. These give customers access to software source codes in the event that the supplier can no longer provide support.

Between 2000 and 2010 Health entered into four contracts for the maintenance and support of its existing PAS. Under the first two, dated 2000 and 2002, Health:

- paid for goods and services in arrears
- had various rights to reject inferior goods and services
- could submit disagreements to a defined alternative dispute resolution process culminating in final and binding expert determination
- had a right to terminate for material default.

In 2004 Health entered into a five year maintenance and support contract worth an estimated $13.8 million with the existing PAS supplier. Under the general procurement rules of the day, the contract was signed by the Under Treasurer as delegate of the State Supply Commission. The then standard template was used but key conditions were amended, waived or not used at all. For instance, Health:

- agreed to pay in advance
- lost the right to reject unsatisfactory goods and services
- lost the right to submit disputes to an alternative dispute resolution process
- could only terminate with notice and payment of a penalty
- did not include an escrow agreement on source codes. Health subsequently negotiated such an agreement in 2006.

We were unable to find any documented rationale for amending, reducing or removing these terms and conditions. Health told us the changes in part reflected increased trust between the parties over time. Good practice, however, suggests that trust needs to be verified, particularly in high risk, high value contracts, and such verification requires well defined terms and conditions.

Health also advised it believed the 2004 contract represented a reasonable commercial arrangement in the circumstances then prevailing. It understood the supplier would need a guaranteed income stream before committing to providing support.

Health considered it had off-set the risks by requiring the payment of a $788 000 bond, a rebate for untimely performance and through the inclusion of various clauses dealing with breaches of the contract.

The bond was meant to provide security against poor performance or system failure. However, it was only equivalent to just over three months' fees, and we found no evidence showing how this figure was calculated. The usefulness of the rebate provision depended on good monitoring of performance. As noted below, Health's monitoring of performance was inadequate.

Our review showed that Health was obliged under the contract to continue paying the scheduled fees, regardless of any product or service defects. It had no right to claim any set-off or to withhold payments for any reason.

In March 2009, Health agreed to repay the bond to the supplier. Health did this because it needed a short extension to the existing 2004 maintenance and support contract while it concluded negotiations for a new contract. The supplier agreed to the extension on condition Health repaid the bond. This further exposed the State to risk. The 2009 negotiations concluded without any consideration to reinstating the standard contract clauses mentioned above.

We saw no evidence that Health sought legal advice about the wisdom of repaying the bond or reinstating the omitted and amended clauses. Health advised the bond was repaid because it considered the supplier's financial position was no longer an issue. Health has advised that it intends to reinstate the standard clauses when a formal contract is finalised.

No formal contract is in place for PAS support and maintenance or the new licence

At August 2010, more than 12 months after the previous arrangement expired, Health had not signed a formal contract for the support and maintenance of the existing PAS. Nor had it signed a contract for its replacement, even though it had paid $1.5 million for a licence in June 2009.

Formal contracts are an important aspect of good procurement practice. They ensure the parties have agreed all the relevant terms. These can include the length of the contract, costs, performance obligations and termination.

The previous maintenance and support contract of $13.8 million was signed in 2004. It was originally set to expire on 31 March 2009 but was extended by agreement to 31 May 2009. This agreement also included the repayment of the bond mentioned above. Since then, maintenance and support has continued to be provided but without a formal contract.

The new contract, which will include both the maintenance and support for the existing PAS and the licence for its replacement, is still being drafted. Rather than using the standard contract provided by Treasury, Health has relied on the supplier's legal counsel to draft the new contract. In June this year after we raised concerns about the delay, Health requested that the State Solicitor's Office and Treasury work with the supplier's legal counsel to finalise the contract.

While there is not yet a formal contract, Health and the supplier have agreed the major terms in an exchange of letters – including the full term of the contract, the fees payable and cost of the licence. Health considers there is a current contract 'by performance' because services are being delivered and paid for as if the 2004 contract had been rolled over. However, we noted that the letters referred to a five year agreement whereas Health told us that it had decided to seek an option to extend the licence as well as the maintenance and support agreement for another five years. This indicates that at least one of the major clauses had not been finally agreed in the exchange of letters.

Health's contract monitoring was inadequate

The third phase of procurement is managing contracts to the end of their term. Good contract monitoring has two basic elements:

- financial monitoring
- performance monitoring.

These elements should be closely linked. For example, invoices should not be paid, and extensions of contract should not be given, until the agency is satisfied that the invoiced services have been provided and the required service standards have been met.

Health did not monitor financial progress

Effective management of a complex ICT procurement like a PAS involves tracking its financial performance against planned progress over the full life cycle of the procurement. We expected Health to be effectively tracking the financial progress of the PAS procurement. We found this was not the case.

Prior to June 2009, Health could not track or accurately acquit its spending on PAS. Its best estimate is that $3.2 million has been spent since 2007 but it could give no figure for expenditure prior to 2007.

In 2009-10, Health began tracking its PAS expenditure against a project procurement budget. However it had no forecast expenditure for subsequent years or for the full procurement.

In 2008 Treasury requested a full accounting of the $22.8 million released to date for the eHealthWA program. Health estimated it had spent more than $15.5 million on eHealthWA projects but had spent approximately $7.3 million on capital works unrelated to eHealthWA. Prior to our audit Health had not tracked down where this money was spent. It has since done so and reimbursed the eHealthWA account. Treasury advised Audit in September 2010 that Health has now acquitted the remaining $15.5 million.

Inadequate monitoring of contract delivery and performance

Key aspects of good performance monitoring include:

- ensuring managers have good knowledge of the contract
- having measurable performance criteria
- assessing performance against those criteria.

We found Health's monitoring of performance was inadequate.

It is important for managers at the service level to be involved in managing contractors rather than it being solely the function of generic contract managers. This is because managers at the service level generally have a better understanding of the technical requirements of the job and of the performance provided. They are also in a better position to identify problems or opportunities to improve service over the life of the contract.

Health does not routinely provide copies of contracts or key extracts of the contracts to the managers at the service delivery level. Managers are therefore less likely to have a good understanding of the contract terms and conditions. This is not conducive to effective performance monitoring.

The 2004 Maintenance and Support contract for PAS set timelines for resolving service requests and problems. These timelines are important criteria for assessing performance. Health did not monitor performance against these timelines.

The contract also required Health and the supplier to meet quarterly to review and monitor contractual matters. At these meetings the supplier was required to present information on performance. Health advised that these meetings were held but it did not keep records of the presentations, discussions or outcomes.

Health relies heavily on specialist contractors for its procurement pre-planning including for the new PAS. These contractors are engaged at hourly rates that entitle them to be paid up to $1 650 a day or $396 000 a year assuming they work 48 weeks. The significant costs involved reinforce the need for Health to monitor performance to ensure it is getting good value for money.

Health advised that a manager was responsible for overseeing each contractor's performance. We sampled 10 contract files but found no indication of any performance monitoring. We also found:

- no written contract for one contractor
- no details of competencies and capacities (for example a resume) for five contractors
- no performance measures for two of the contractors.
- no program of work/work plan/project plan for any of the contractors.

Identification and management of conflicts of interest was inadequate

Health introduced a policy on Conflicts of Interest in December 2009 but we saw no evidence of its application within HIN, the division responsible for ICT procurement. The policy referred only to staff, and was silent on contractors. We also noted that neither HIN nor Health maintained a conflict of interest register and that three of our sample of 10 contractors had not made a conflict of interest declaration.

We expected to find:

- a conflict of interest policy covering both staff and contractors
- a conflict of interest register
- documented management plans to deal with identified conflicts.

We observed no instances of conflicts of interest, but the absence of process makes the risk more likely. Procurement is a recognised high risk area for conflicts of interest. Careful management of this risk is even more important when there are high levels of contracting and outsourcing of services.

A conflict of interest is a situation arising from conflict between the performance of public duty and private or personal interests. The conflict can arise from individual financial or non-financial interests or those of family and business associates. It can also arise as a result of experiences which have caused either ill-will or goodwill. Conflicts of interest may be real or perceived or potentially exist at some time in the future. It is important to consider perception of a conflict of interest because public confidence in the integrity of an organisation is vital.

Conflicts involving contractors and ICT can arise in many ways. For instance: when contractors plan/design system specifications and then quote or tender to deliver the required system; or when the contractor has an association or interest in the company that quotes or tenders.

Health's recordkeeping was inadequate

Good recordkeeping is both a statutory requirement and a good business strategy. Importantly, it provides some protection against organisations repeating mistakes and facilitates transparency of operations. However, we found that Health had failed to implement adequate recordkeeping practices in HIN. As a result our capacity to understand events and to establish accountability was diminished.

We have previously reported[2] on the quality of government recordkeeping and requirements under the *State Records Act 2000*. The Act covers the creation, maintenance, destruction and preservation of government records. All agencies are required to have and implement a Recordkeeping Plan to

> '…. ensure that the government records kept by the organisation properly and adequately record the performance of the organisation's functions'.

We found Health has had a Recordkeeping Plan since 2004, but it has not been implemented at HIN.

We expected that Health's records would provide a reasonable history of the milestone events during the PAS procurement, including planning, attempts to obtain funding, contract development and expenditure. What we found was that Health could not provide adequate, and in some cases any records for the following:

- some business cases for eHealthWA or PAS procurement
- Treasury advice on business cases
- internal project budgets and deadlines
- records of important meetings between Health and the supplier, including contract negotiations and regular progress meetings
- financial transactions and reporting.

2 *Records Management in Government* – Report 4 of 2004 and Report 2 of 2008

Training's procurement of ICT services was generally sound

Findings

- Planning procurement and awarding of contracts for ICT services was generally sound.
- Performance monitoring of contractors was poor.
- Training relies heavily on highly paid contractors to maintain and enhance existing systems or to develop new systems. However, it has not reviewed this practice for at least five years to determine if it still provides the best value for money.

Training relies on contracted specialists to plan and implement ICT solutions

The Department of Training and Workforce Development (Training) was established as a separate agency on 30 October 2009. The demerger from the Department of Education and Training also created the Department of Education (DoE).

At the time of our audit Training was finalising changes to its remodelled operations. A draft operational plan for the ICT Division had been prepared and the Division was reviewing its establishment, including the ratio of permanent to contract staff. The ICT Division was undergoing a review, led by its new acting chief information officer.

Departmental policies and procedures were also being developed. In the interim, Training was relying on relevant DoE policies and procedures. It also has a Service Level Agreement with DoE for some ICT services. For these reasons we audited Training activity against the relevant Education and DoE policies and procedures.

Training currently relies on about 46 contracted specialists to design, develop and implement systems and enhancements. At the time of audit, no major ICT system was under development. Generally, the ICT systems are those needed to support the State's 10 Technical and Further Education Colleges. The contractors were procured from suppliers who had pre-qualified under Treasury's current Common Use Arrangement (CUA) or its predecessor, the Strategic Partnering in Resourcing Information Technology CUA also known as SPIRIT.

Planning procurement and awarding contracts for ICT services was generally sound

Overall, the procurement processes in place at Training were sound, especially in regard to planning and the awarding of contracts.

Procurement policies and procedures were well documented and readily accessible. The organisational structure and reporting responsibilities were clearly spelt out. Training's ICT project needs were identified by a defined process using input from Training colleges. The identified needs were then included in the ICT Division's work plans.

Procurements of ICT services were conducted using the appropriate CUA and contracts were developed by a specialist Treasury unit embedded in the former Department of Education and Training. We also noted that Education had introduced a review process for contract extensions about two years before the demerger, to provide assurance that contracts were not rolled over unnecessarily. This process has been adopted at Training.

Training also inherited a solid framework for contract administration based on a detailed but easy to follow Contract Managers Guide and an electronic Contract Management System, developed by Education ICT, for keeping track of the status of individual contracts.

There was poor performance monitoring of contractors

One of the two main elements of contract management is monitoring of contractor performance against measurable criteria. This is most effectively done at the level at which the services are provided, and is critical to ensuring the agency receives value for money. As such it requires an intimate knowledge of the contract.

Training does not routinely monitor contractor performance

Training informed us that it did not believe it had a role to monitor individual contractors. It believed this was the responsibility of the company supplying the contractor. Rather, Training monitors project performance and considers this sufficient to identify poor contractor performance.

However, we considered this inadequate. In many cases the supplying company consists of just one person. In addition, many Training projects are team efforts, and individual contractors within teams can change during the course of a project.

Training was confident that if a college was unhappy with a project or a contractor the college would inform the responsible project manager. There are two weaknesses in this approach. First, it creates a potential conflict of interest when, as is often the case at Training, project managers are contractors themselves. Second, relying on other parties to raise complaints provides a limited view of performance.

In addition to these specific weaknesses, Training's contracting practices made it difficult to measure performance. Until recently most of its contracts were made under the SPIRIT arrangement. SPIRIT contracts did not routinely specify deliverables. Training believed that it had no capability to impose them. We note that Health had identified a similar issue and organised an agency-specific version of SPIRIT which included deliverables. SPIRIT was replaced by a new CUA in 2008. The new CUA allows agencies to specify deliverables.

Inadequate identification and management of conflicts of interest

Training relies heavily on contractors to design and implement improvements to its ICT systems, an approach that increases the risk of conflicts of interest. We therefore expected to find a register of conflicts of interest:

- for ICT contractors, as well as key staff involved in ICT procurement

- based on declarations of interest obtained prior to their engagement or employment as the case may be
- that was updated on a regular basis, such as annually or when contracts are extended.

However, Training had no conflict of interest register for ICT contractors and key staff and no requirement for ICT contractors to declare any business or professional interest or relationships that might give rise to a conflict. Training believed that any risk was minimised because its contractors are not involved in procurement and are not on evaluation panels. However, it acknowledged that they do make recommendations about products and service providers.

ICT managers did not have ready access to contracts

As mentioned previously, ready access to a copy of a contract or key aspects of it is critical to good performance management.

In July 2010, Training ICT was managing 44 contracts for services covering 46 individuals. The total dollar value of the contracts was $18.9 million.

We sampled 10 contracts and found that in only one case did the responsible ICT manager have ready access to copies of the formal contracts. In no case could we locate an electronic copy of the formal contract. Agency policy requires such documents to be stored electronically.

Training's ICT procurement model had not been reviewed for at least five years

Contractors can be the best fit for agency operations but usually cost more than public servants. Where agencies make long term use of contractors, they should periodically review this approach to ensure that it continues to provide best value for money.

Training relies exclusively on contractor expertise for technical ICT services. This has been the case for at least five years. Under the contracts Training was committed to spending up to $240 000 a year per contractor depending on total hours worked, and we noted some contractors had been engaged continuously for several years. Some had been employed as permanent public servants doing similar work before becoming contractors.

The duration of these contracts and the contractors' backgrounds indicates that the work being done is ongoing and of a permanent nature, rather than ad hoc. Training and previously Education had not reviewed this approach or tested the market for permanent IT staff prior to our audit.

During our audit Training ICT advised that it was reviewing its procurement model. However, changes would be dependent on approval to increase its staff numbers and the willingness of suitably qualified ICT specialists to join the public service.

Auditor General's Report

REPORT NUMBER	2010 REPORTS	DATE TABLED
8	Environmental Management of Cockburn Sound	22 September 2010
7	Fitting and Maintaining Safety Devices in Public Housing	11 August 2010
6	Energy Smart Government	30 June 2010
5	Fiona Stanley Hospital Project	23 June 2010
4	Audit Results Report: Annual Assurance Audits completed since 2 November 2009, including universities and public colleges; and Compliance Audits: Managing attractive assets; Managing salary payment errors	5 May 2010
3	Public Sector Performance Report 2010 – Opinions on three 'Ministerial Notifications' – ministerial decisions to not provide information to Parliament – Registration of Medical Practitioners	5 May 2010
2	Information Systems Audit Report	24 March 2010
1	The Planning and Management of Perth Arena	10 March 2010

	2009 REPORTS	
13	Audit Results Report: 2008-09 Assurance Audits	11 November 2009
12	Fourth Public Sector Performance Report 2009 – Preliminary Examination of the Royalties for Regions Program – Accountability for Government Grants – Management of Government Purchasing Cards	11 November 2009
11	Third Public Sector Performance Report 2009 – Regulation of Firearms – Follow-up – Managing Staff Attendance in the Public Sector – Evaluation in Government	21 October 2009
10	Adult Community Mental Health Teams: Availability, Accessibility and Effectiveness of Services	14 October 2009
9	Every Day Counts: Managing Student Attendance in Western Australian Public Schools	19 August 2009
8	Opinion on Ministerial Notification: Ministerial Decision to not Provide Information to Parliament – Country Age Pension Fuel Card	19 August 2009
7	Second Public Sector Performance Report – Dangerous Goods Safety – Compliance in Western Australia's Commercial and Recreational Fisheries	25 June 2009
6	Maintaining the State Road Network	17 June 2009
5	Rich and Rare: Conservation of Threatened Species	10 June 2009
4	Coming, Ready or Not: Preparing for Large-scale Emergencies	20 May 2009
3	Audit Results Report – 31 December 2008 Assurance Audits and other audits completed since 3 November 2008	6 May 2009
2	Information Systems Audit Report	8 April 2009
1	Public Sector Performance Report 2009 – Management of Water Resources in Western Australia – Follow-up – Administration of the Metropolitan Region Scheme by the Department for Planning and Infrastructure – Management of Fringe Benefits Tax	1 April 2009

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