

A. Entity responses

We gave a copy of this report with a request for comments to the Department of Health, and 16 hospital and health services.

The head of each entity is responsible for the accuracy, fairness and balance of its comments.

This appendix contains their detailed responses.



Comments received from Director-General, Queensland Health



Enquiries to:

Queensland Health

Telephone:
Our ref: C-ECTF-20/13163
Your ref:

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Email:

Dear Mr Worrall

I am writing to you regarding your recent letter to me on 25 August 2020 seeking Queensland Health comments on the Queensland Audit Office's Report 4 2020-21: *Queensland Health's new finance and inventory management system*.

My department has considered in detail both the report and its recommendations. I acknowledge the report's consultation and confirm that Queensland Health will implement the recommendations made, in alignment with the response enclosed.

I note that the report represents a point in time and that Queensland Health has made significant inroads in addressing its findings. I reaffirm that S/4HANA has provided Queensland Health with comprehensive procurement and supply chain data that has been instrumental to the COVID-19 response, and that during the implementation there was no impact on patient care. Further, I acknowledge that your Office issued an unqualified opinion on the Department of Health's 2019-20 Financial Statements.

Should you require further information, the Department of Health's contact is Ms Barbara Phillips, Deputy Director-General, Corporate Services Division, on telephone.

Yours sincerely

A handwritten signature in blue ink, appearing to read "John Wakefield".

Dr John Wakefield PSM
Director-General
18 / 09 / 2020

End.

Level 39
1 William St Brisbane
GPO Box 48 Brisbane
Queensland 4000 Australia

Website health.qld.gov.au
Email DC_Correspondence@health.qld.gov.au
ABN 66 329 169 412

Response to recommendations

Queensland Health's new finance and inventory management system

Attachment 1: Response to recommendations provided to the Director-General, Queensland Health, on 25 August 2020.

Recommendation	Agree / Disagree	Time frame for implementation (quarter and year)	Additional comment
<p>We recommend that the Department of Health and the Hospital and Health Services:</p> <p>1. Redesign the project governance and accountability frameworks to ensure clear and unequivocal accountability for project delivery. The framework should ensure all designated parties take ownership of:</p> <ul style="list-style-type: none"> • completing project readiness activities in a timely manner and to a specified quality (Chapter 4) • understanding change implications to their entities and updating local guidance (Chapter 4) • correctly identifying user roles and ensuring the right staff are trained at the right time (Chapter 4) <p>The framework should clarify that a senior executive from the department should be the senior responsible owner throughout future whole-of-system projects. The department needs to take a governance-leadership role and should continue to include the HHSS in the design and implementation of whole-of-system projects (Chapter 4).</p>	Agree	Q1 2021	<p>The Department will review existing guidelines and supporting documentation for new and in-flight initiatives, to ensure governance and accountability frameworks are robust, capture clear lines of delegation and accountability, and allow all involved parties/entities to understand their role and purpose in program/project delivery.</p> <p>Change management recommendations captured during the FSR Program will be provided to all future programs/projects, including lessons relating to multiple parties/entities working together to achieve the same outcomes. This work has already commenced with several in-flight initiatives.</p>



Recommendation	Agree / Disagree	Time frame for implementation (quarter and year)	Additional comment
<p>2. Undertake a cost benefit analysis to determine when and how to progressively convert appropriate inventory storage locations to fully managed inventory locations, to provide real-time insight into stock level and consumption (Chapter 5). This should include facilities to be utilised for the newly established state clinical stock reserve.</p>	<p>Agree</p>	<p>Q2 2022</p>	<p>System design agreed during the delivery of the FSR Program saw only a small subset of storage locations state-wide operate as fully managed, allowing full visibility of stock movements at these storage locations. The remaining locations operate as partially managed, meaning that real-time stock movements at these locations (typically ward/imprest level) are limited, and real-time consumption information is unavailable / requires manual data capture. A streamlined stocktake tool has been developed to assist HHSs in meeting Commonwealth Reporting Requirements during the current COVID-19 pandemic.</p> <p>The Department has established a state-wide support function able to support HHSs who opt towards conversion of 'Partially Managed' Storage Locations (SLOCs) to 'Fully Managed'. During the COVID-19 pandemic, several HHSs have worked alongside the Department to convert 23 additional SLOCs to Fully Managed, bringing the total state-wide total of Fully Managed Locations to 100.</p> <p>Moving forward, the Department will continue to assess the relevance and viability of converting more partially managed storage locations to fully managed.</p>

