

MEDIA RELEASE

Tuesday, 26 November 2019

Auditor-General Report to Parliament on the Royal Hobart Hospital Redevelopment Project

Auditor-General Rod Whitehead today tabled his report to Parliament on the Royal Hobart Hospital (RHH) Redevelopment Project (Project). The focus of the audit was to assess the effectiveness of processes relating to project governance and management, including financial and risk management, and building and operational commissioning.

Mr Whitehead found project governance, management, reporting and financial and risk management have effectively supported the Project to date. Operational commissioning planning is well progressed, with roles and responsibilities, resourcing, key decision points, monitoring and reporting mechanisms continuing to be clarified and improved as they evolve.

Mr Whitehead stated “ following the implementation of the recommendations in our January 2014 report on the governance and management of the Project and the further recommendations made by the RHH Redevelopment Rescue Taskforce, the governance of the Project has been appropriately delivered according to agreed and understood terms of reference”. While there is clarity of defined roles under current governance arrangements for the current status of the Project, the audit identified greater clarity is needed for governance transition as responsibility for completion of the Project is transferred from the Project Executive Steering Committee to the Department of Health and Tasmanian Health Service.

Mr Whitehead said “there was an appropriate framework for the management of Project risks that followed good practice, with high level risks being assigned to responsible individuals and subject to regular review with an appropriate escalation process”.

Financial management of the project was adequate with regular comprehensive reporting of the financial performance of the Project. Mr Whitehead found the Project was tracking within budget as at October 2019, but a number of operational issues and construction delays could result in significant additional financial outlays for the Project. Mr Whitehead said “these will need to be closely monitored as the Project transitions into operational commissioning”.

Mr Whitehead found the governance structure allows for consideration of operational, functional and clinical commissioning to facilitate the completion of building construction, operational commissioning of the building and realisation of intended benefits. However, greater clarity of roles and responsibilities and planning would support a smoother transition from building to operational use of the new building. Mr Whitehead stated “during the audit it was identified critical decision making at key milestones had not been documented or formalised in a Go-No-Go framework, but this was subsequently rectified to support effective decision making at critical points in the delivery of the Project”. Mr Whitehead also found appropriate planning for the transitional phase had been adopted, although this could be strengthened through the use of critical-path planning, and reporting mechanisms required for operational commissioning needed improvement as these had not been effectively established.

Mr Whitehead made four recommendations including a review of governance arrangements to ensure an agile approach is maintained that reflects the changing needs of the Project. For operational commissioning, he suggested the Department of Health further develop and implement clear critical path planning and milestones and associated enhancements to reporting.

The complete Report can be downloaded from www.audit.tas.gov.au.

ENDS

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