

Summary

On 1 August 2019, after several delays, Queensland Health (the Department of Health and the 16 hospital and health services (HHSs)) launched a new financial and supply chain management system—SAP S/4HANA. Queensland Health experienced significant issues with S/4HANA after go-live, however it indicated little to no adverse impact on patient care. The post go-live experience showed that Queensland Health underestimated the compounding delivery risks.



The lead up to go-live

- The project team's key challenge was a complex environment that included 17 entities and a complex project overlay.
- Queensland Health refreshed its program board to improve decision making, oversight and program reporting.
- Entities reported low completion rates for user training. Users had poor understanding of their responsibilities and the system's processes. This exposed defects in entities' change management processes.
- Entities did not properly reengineer their processes in readiness for the new system.
- Chief executives endorsed their entities' readiness to go live, with caveats, although none had fully completed their readiness activities.
- The board endorsed that the system should go live based on the entities' and the program team's risk mitigation strategies.



Issues at go-live

- Vendors were not always paid on time.
- Hospitals had trouble ordering supplies in the right quantity.
- Users did not fully understand the system capabilities and processes.
- System performance affected productivity.
- Configuration data errors in role mapping, delegations and inventory management affected user experience and processing efficiency.
- HHSs put in extensive effort and resources to find workarounds to mitigate disruptions.
- Deficiencies in information technology (IT) controls increased the risks of unauthorised or unintentional data manipulation.
- Our 2019–20 financial audits found deficiencies in S/4HANA's information technology controls, which led to an alternative, but more costly audit approach.



Current status and progress to date

- Queensland Health has made progress addressing the issues it experienced with S/4HANA.
- The issues and solutions have come at a significant cost in time, resources, and dollars. Not all costs can be quantified, but an extra \$33.5 million was spent to go live and to provide heightened support to entities over the four-month hypercare and transition period.
- S/4HANA has improved Queensland Health's supply chain management capability but the functionality needs to be extended in hospitals to provide better and more timely insights into stock levels. Work arounds are in place to give stock managers relevant information.
- Queensland Health's response to COVID-19 affected its S/4HANA stabilisation project. Two workstreams continued—supply chain management and purchase to pay.



Our recommendations

- We made two recommendations. One is directed at future whole-of-Queensland Health information and communication technology projects and one is on the inventory management module. These will be important considerations when Queensland Health restarts the Hospital Based Corporate Information System (known as HBCIS) replacement project.

