



# Jann STUCKEY MP

Member for Currumbin

19/5/10

19 April 2010

Mr Glenn Poole  
Auditor General  
Level 14,  
53 Albert Street  
BRISBANE Q 4000

Dear Mr Poole

I write to request that you undertake a full investigation into the activities of the Government Agency CorpTech and ongoing attempts to design, build, implement and support whole-of-Government information systems to administer the State's finances and workforce.

My colleague, the Member for Clayfield has already written to you requesting an investigation into the Queensland Health payroll system. Not only do I support his request, but I believe that wider concerns have been raised regarding the overall Shared Services Initiative, as managed by CorpTech, that warrant further investigation.

As revealed in Right to Information Documents obtained by the LNP, concerns were raised by Queensland Health Officials in 2008 over the "cost burn of about \$400 million", contributed by multiple Government departments and agencies to CorpTech as part of the so far undelivered Shared Services Initiative.

CorpTech's failure to deliver a working solution to Queensland Health by its due date has required CorpTech and Queensland Health to engage IBM to provide an interim payroll and human resources system in its place.

The contract to deliver the current SAP and WorkBrain payroll system used by Queensland Health has blown out from an originally contracted \$20 million to a reported \$40+ million dollars.

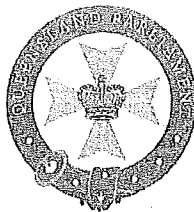
Consistently missed deadlines and rapidly escalating costs raise serious questions regarding the accountability of taxpayer money that has been spent in pursuit of this entire program. Furthermore, the resulting interim system deployed in Queensland Health has seen thousands of employee's pay and conditions seriously harmed.

Yours sincerely

**JANN STUCKEY MP**

**Member for Currumbin**

**Shadow Minister for Public Works and Information & Communication Technology**



19/5/10

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19 April 2010

Mr Glenn Poole  
Auditor General  
Level 14,  
53 Albert Street  
BRISBANE Q 4000

via email

Dear Mr Poole

Recent events have highlighted what appear to be serious flaws in the acquisition, installation and implementation of the new Queensland Health payroll system. With a payroll in excess of 70,000 people and with a value of over \$210 million per pay cycle this is a significant financial component of the operation of the Queensland Government.

Serious questions have been raised about the acquisition and implementation of the new SAP and Workbrain payroll system. These include:

- The contract terms, including penalties and sanctions for failure to perform;
- The awarding of the contract to SAP and IBM and any other systems suppliers;
- Remedies the Queensland Government may have against the system suppliers;
- The total cost of fixing the payroll system;
- The level of reporting to both Minister Lucas and Minister Swarten;
- Steps taken by the responsible Ministers to assure themselves the new payroll system would function as promised;
- Security of payment and ensuring correct payment of Queensland Health employees;
- Security of sensitive and confidential information.

In light of this and the impact on the financial management of the Health Department I ask that you carry out a full investigation into what went wrong with the Queensland Health payroll system.

Yours sincerely

**Tim Nicholls MP**  
**Member for Clayfield**  
**Shadow Treasurer**  
**Shadow Minister for Employment and Economic Development**

## Leader of the Opposition, Queensland

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19/5/10.

MEDIA RELEASE.



John-Paul Langbroek

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# Auditor-General must investigate health pay bungle

The State Opposition has written to the Auditor-General asking that a full investigation be held into the bungled Queensland Health Payroll System.

LNP Shadow Treasurer Tim Nicholls said as the magnitude of Labor's failure has become apparent through Opposition questioning, so has the need for a full audit of the process.

"It is important that the independent Auditor-General report to Parliament on all aspects of this fiasco. We can't leave it to the Deputy-Premier and Health Minister, whose attitude is more like Sergeant Schultz from Hogan's Heroes, than of a responsible Minister."

# Auditor-General of Queensland

14 May 2010

Mr K Smith  
Director-General  
Department of Premier and Cabinet  
15th Floor, Executive Building  
100 George Street  
BRISBANE QLD 4000

Dear Mr. Smith

Thank you for your letter of 12 May 2010 regarding the review of the implementation of the new payroll system at the Department of Health.

I appreciate your willingness to defer the completion of some of the scope of work that was being undertaken by KPMG. As I outlined to you my annual audit of the Health Department involves the audit of their payroll systems and significant audit activity has already been completed in relation to the payroll project.

In my view it would be a more efficient use of resources for my office to complete our current audit work, and for you to then progress with the KPMG management review based on my audit findings. Such an approach would have the added benefit of minimising the disruption to staff involved in the rectification of issues from the system implementation and allow my staff to finalise this audit in a timely manner.

I confirm that my report will also include the results of audit activity related to other information technology programs. This will assist in providing recommendations for the broader whole of government implementation of payroll, financial and other business systems.

Given the framework for the finalisation of my reports contained in the *Auditor-General Act 2009*, I expect that the report will be available for Parliament in approximately six weeks time.

Thank you for the continued co-operation of the staff of all agencies in the audit.

Yours sincerely


Glenn Poole  
Auditor-General



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|  | Paper No.: 531072393 |                                  |
|  | Date: 9 June 2010    |                                  |
|  | Member: Hon Lucas    |                                  |
| <input checked="" type="checkbox"/> Tabled   |                      | Tabled, by leave                 |
| <input type="checkbox"/> Incorporated, by leave                                    |                      | Remainder incorporated, by leave |
| Clerk at the Table: <i>S. J. J. J.</i>   |                      |                                  |