



ACT AUDITOR-GENERAL'S OFFICE



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Performance Audit Report

The FireLink Project

The ACT Auditor-General, Mrs Tu Pham, has today presented a Performance Audit report titled '**The FireLink Project**', to the Speaker of the ACT Legislative Assembly.

The FireLink Project was one of many Information and Communication Technology (ICT) projects undertaken by the Emergency Services Authority (the Authority) to support emergency services operations.

The audit assessed the efficiency and effectiveness of the former Emergency Services Authority and more recently, the Emergency Services Agency in managing the FireLink Project, focussing on the procurement and project management processes.

The Audit did not examine the technical suitability of FireLink nor seek to make recommendations on technical solutions to meet the Emergency Services Agency needs. These matters were addressed separately by the Agency.

Key Audit Findings

The audit concluded that there were deficiencies in the scoping, planning, procurement and management of the FireLink Project. As a result the overall management of the FireLink Project was neither efficient nor effective in the delivery of the intended outcomes to meet Authority and Agency operational needs.

Key findings of the audit were:

- In May 2003, following the January bushfires in the ACT, the Government approved overall funding of \$26.7m to upgrade the communication systems of the then Emergency Services Bureau (the New Radio Project). The Authority subsequently allocated \$3.255m of the funding to the FireLink Project for the three-year period up to 2005-06, with funding for later years to be subject to Government approval.
- There was no business case prepared to support the FireLink Project. There was no cost-benefit analysis of FireLink against alternative solutions.
- In procuring FireLink, the Authority identified an available product and then developed an accelerated procurement process around the identified product, with the knowledge that further customisation was required to satisfy the Statement of User Requirements.

- The procurement process failed to demonstrate clearly that the project would achieve a value-for-money outcome for the Territory. The consideration to support a local and innovative company and the urgency of the proposal appeared to outweigh other considerations including 'value-for-money'.
- The Authority's consideration of risk for the FireLink Project was inadequate. In particular, the Authority generally underestimated the level of risk associated with delivering a complex ICT project, especially given the developmental nature of the proposed system.
- There was insufficient consultation with end users in the development of the Statement of User Requirements.
- Performance requirements for the system and the supplier were not adequately specified prior to execution of the contract, and continuous changes to the scope of the Project were not managed well.
- The FireLink technology required the Authority to adopt new business practices and processes. However, attention given to change management to facilitate implementation of the new system was insufficient to ensure the support of various operational services, particularly the Rural Fire Service.
- The FireLink system had several significant unresolved problems related to operational performance, reliability of coverage and delays in communication. These problems led users to express a lack of confidence in the system. Further, there was a lack of action to follow-up on these unresolved issues since December 2006, while JACS and the Agency commissioned two consultants' reports on the Agency's ICT projects.
- Following these two consultants' external reports, Commissioner Manson of the Emergency Services Agency announced on 13 July 2007 the withdrawal of the FireLink system from the Agency operations.
- At the time of the Commissioner's announcement to withdraw FireLink from operations, the FireLink Project did not achieve a number of the objectives stated in the procurement plan, additional development work were still needed to fully satisfy the user requirements, and the Project cost the Agency over \$4.5m.

Recommendations

The audit made six recommendations to address the issues raised. The Department of Justice and Community Safety accepted the shortcomings of management as outlined in the report, and has agreed to all recommendations.

Further Information

For further information, please contact Rod Nicholas, Director, Performance Audits and Corporate Services on 6207 0833. Copies of the report are available from the ACT Auditor-General's Office (Level 4, 11 Moore Street, Canberra City) and from its website, www.audit.act.gov.au.