



NEWS RELEASE

For Immediate Release

November 3, 2016

Due diligence lacking in health IT service contract

VICTORIA – Auditor General Carol Bellringer has released her latest report, *Workstation Support Services Contract: An Audit of Due Diligence*.

The report looks at government's due diligence behind its \$395-million decision to add the six health authorities to an existing contract for outsourced IT support for 50,000 computer workstations, and to extend the contract by two years. Workstation support is crucial to the delivery of care, as healthcare providers rely increasingly on technology.

The audit found that government's analysis of the decision was inadequate. Although government received a 15% volume discount by adding the new workstations to the contract, its preliminary analysis indicated that cost-savings for the health authorities would be unlikely. It also could not demonstrate that overall value for money would be achieved for taxpayers. Despite this, government did not explore alternative procurement options, and decision-makers were not provided with the level of information needed to make an informed decision.

“This was a big decision for government that was made despite limited information and uncertainty of success,” said Bellringer. She continued to say that “adding the health authorities to the contract may have been the best option for everyone involved. However, government's due diligence didn't demonstrate to decision-makers that it was the best option.”

“We found there was pressure to add the health authorities to the contract and a strong belief that adding to existing contracts would result in value for money” added Bellringer. “But there was no overall business analysis to determine if the benefits outweighed the costs.”

The report also warns that the same situation could arise again because currently, there are 12 similar contracts reported to be worth over \$6 billion that government is looking to expand.

Public organizations should be able to demonstrate what they're doing with taxpayer dollars and why. The report contains four recommendations to assist government in making better informed decisions in similar situations.

The full report is available on the Office of the Auditor General website at:
www.bcauditor.com/pubs

Bellringer will answer questions pertaining to the report via a news conference and in-person should a visual be required after the news conference.



OFFICE OF THE
Auditor General
of British Columbia

News Conference Date: Thursday, Nov. 3, 2016

Time: 11 a.m. (Pacific time)

Dial-in Information:

From Vancouver: 604 681-0260

From elsewhere in Canada and the USA: 1 877 353-9184

Participant Pass Code: 44848#

During question and answer period, to ask a question: Press 01

During question and answer period, to exit the question queue: Press #

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The Auditor General is a non-partisan, independent Officer of the Legislature who reports directly to the Legislative Assembly. The *Auditor General Act* empowers the Auditor General and staff to conduct audits, report findings and make recommendations.

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