



**St Helena
Government**

**ST HELENA GOVERNMENT
RESPONSE TO RECOMMENDATIONS ON THE
PERFORMANCE AUDIT REPORT
JAMESTOWN HOSPITAL REFURBISHMENT PROJECT
SEPTEMBER 2019**

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The Financial Secretary in his capacity as the responsible member of Executive Council submits an update on the action that has either been taken or is planned in response to recommendations contained in the reports of the Audit St Helena External Auditors.

This report provides responses to the recommendations in the Performance Audit Report: Jamestown Hospital Refurbishment Project September 2019.

The table below explains the colour coding applied for the disposal of recommendations.

Implemented – no further action required and the matter is recommended to be closed.
Accepted – but matter not fully implemented and remains open for action in monitor.
Disputed – requires reconsideration and therefore remains open to monitor.

No	Recommendation	Responsibility	Response	Management Recommendation
1	SHG must urgently secure contracts for the maintenance of important, high value hospital equipment, including the CT scanner, autoclaves and oxygen plant.	Director of Health	This work is in progress.	In progress – remain open.
2	SHG should commission analysis looking at the financial impacts of the refurbishment, and determine whether cost savings are being realised as a result of procedures being performed on-island.	Director of Health	Some work has been undertaken to determine the financial impacts of the project. Further work is need to formalise this and to determine to what extent the cost savings are being realised.	In progress – remain open.

No	Recommendation	Responsibility	Response	Management Recommendation
3	The hospital should commission analysis to model expected demands of the hospital given current trends in demand, to estimate when the hospital may need to be upgraded again, so that this can be built into forward financial and strategic planning.	Director of Health	This will be taken forward as part of the MTEF (Strategic Planning and Budgeting) Process for future planning cycles.	In progress – remain open.
4	The Health Directorate should implement a set of monitorable Key Performance Indicators to measure hospital performance and the quality of care. It should use the implementation of the new patient management system to aid in this.	Director of Health	This is being taken forward as part of the MTEF (Strategic Planning and Budgeting) Process for 2020/21-2022/23.	In progress – remain open.
5	SHG should continue to improve its alignment of capital projects, strategic objectives and available funding to ensure important projects are implemented in a timely manner. Lessons and experiences from the 2014/17 capital programme must be taken forward to ensure this happens.	Programme Manager	All projects are submitted based on SHG Policy priorities and Directorate strategic plans and budgets through the MTEF Process. Lesson learnt log is referred to and MTEF process was reviewed and updated to reflect those matters.	Implemented – recommended to be closed.
6	SHG should develop a methodology for incorporating optimism bias into its project planning for cost, schedule and project benefits. This will ensure appropriate contingency is built into project planning.	Programme Manager	Client briefs are developed and endorsed by the client before any works are progressed and this is then articulated in the detailed designs, which are also approved before progressing. This also includes conditional surveys where necessary to capture all works	Implemented – recommended to be closed.

No	Recommendation	Responsibility	Response	Management Recommendation
			<p>required to reduce the number of variations likely to arise.</p> <p>Detailed business cases as well as CBA's are completed prior to final approvals.</p>	
7	<p>SHG should improve its early costing and cost analysis for major projects. Early cost estimates are often used to inform important funding decisions, and without a systematic methodology for constructing and presenting costs to decision makers, poor value for money decisions can be made. Costs need to be, at a minimum: presented alongside the relevant assumptions; presented as a range indicating most and least probable figures; and calculated with input from the appropriate professionals.</p>	Programme Manager	<p>Business cases are developed with high level costings and generally not based on any substantial level of detailed evidence.</p> <p>The Detailed Business Cases requires costings on all detailed and technical plans, which will be included in the CBA before final approvals are obtained.</p>	Implemented – recommended to be closed.
8	<p>SHG should formally implement the RIBA "plan of work" stages or a similar recognised methodology for designing building specifications. This will provide a baseline against which performance can be measured in the future.</p>	Programme Manager	<p>RIBA has been adopted as the approach for delivering projects and this is also complemented with tailoring of the PRINCE 2 project management methodology.</p> <p>Guidelines which include the above are being discussed for endorsement by April 2020.</p>	In progress – remain open.
9	<p>SHG must improve its documentation of important project milestones. We struggled throughout the audit to locate key documents relating to project approvals and completions. SHG should set up a dedicated electronic</p>	Programme Manager	<p>Project plans are developed and evolved during the project lifecycle which will identify key milestones and targets. In addition Highlight reports and end stage reports are</p>	Implemented – recommended to be closed.

No	Recommendation	Responsibility	Response	Management Recommendation
	filing system for project documents so that records are easily accessible.		also completed which highlights the key achievements and challenges for the stage and reporting period. File Server has been established.	
10	SHG should implement robust project initiation procedures, including obtaining capacity to write high quality business cases to HMT Green Book or equivalent standard, to be used for rigorous options appraisals, ensuring the option with greatest value for money is chosen.	Programme Manager	SHG appointed an Economist specifically to support the preparation of Business Cases and CBA's in alignment with the UK Treasury guidelines 5 case model before any approvals is obtained from the various EDIP Management Levels.	implemented – recommended to be closed.
11	SHG should have cost and benefits monitoring plans for all capital projects.	Programme Manager	Upfront CBAs are developed however, PMU still need to establish a monitoring regime to extract the benefits and to track and monitor the achievement of those benefits over time.	In progress – remain open.