

## PRESS RELEASE

---

**23 August 2011**

### **Management of Government Procurement – The Case Studies**

The Office of the Auditor General today released a performance audit report about the *Government's Management of Procurement – The Case Studies*. Auditor General Alastair Swarbrick explained that the audit report provides three examples of recent procurements by the Government and provides further details on issues discussed in the July report on the Management of Government Procurement.

The audit report describes how the Government managed the procurements of a loan during 2010-11, the Closed Circuit Television (CCTV) system in 2010 and the Jazz Fest in 2009. The audit report identifies a number of concerns about the way these procurement processes were managed resulting from the lack of a procurement framework identified in the previous report. These findings support the conclusion that there has been a fundamental breakdown in processes and systems to ensure fairness, efficiency, transparency and value-for-money in procurement.

The Auditor General stated that this report also provides examples of politicians interfering in the procurement process and the impact they have had. In particular, he identified that an additional CI\$450,000 was spent by the Government in securing interim financing through actions taken by the Minister of Finance and caused delays in the process for the acquisition of the CCTV system.

*"While I have considerable concerns regarding the three case studies in this report, I have greater concerns about the procurement process in general and the risks of it not being managed effectively,"* said Mr. Swarbrick, *"These risks include the opportunity for abuse of the process and corrupt practices. Because of these risks, I have started to look at certain procurements at an earlier stage."*

The report makes an additional 11 recommendations for improving the procurement practices of the Government.

This document, which has been distributed to all Members of the Legislative Assembly, is available for public review. Copies can be obtained at the Office of the Auditor General, 3<sup>rd</sup> Floor, Anderson Square, or it may be accessed through the Office of the Auditor General website at [www.auditorgeneral.gov.ky](http://www.auditorgeneral.gov.ky).

For further information, please contact Martin Ruben at 244-3206.