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PRESS RELEASE

Government needs to better demonstrate value for money from its use of consultants

The report, *"Government's use of consultants and temporary staff"* issued by the Office of the Auditor General (OAG) today, reviewed how effectively the Government manages its use of consultants and temporary staff.

The report specifically looked at how well the Government plans for their use; how effectively it procures consultants to ensure that it receives value for money; and how well it manages consultants.

"The Government uses consultants and temporary staff to support the delivery of its objectives and priorities but does not monitor how much it is spending on them," says Sue Winspear, Auditor General of the Cayman Islands.

Positive highlights include the improvement of procurement practices since the OAG last reported on procurement in 2011, including setting up a Central Procurement Office and developing new procurement policies and procedures manuals. The Legislative Assembly also passed the *Procurement Law 2016*, which is due to come into force on 1 May 2018.

"Improvements in the procurement processes are making a positive impact, but the Government needs to ensure that it is following these and some government entities need to update their guidance to ensure that they are best practice," the Auditor General explains.

"The Government needs to better demonstrate the value for money obtained from using consultants," Ms Winspear continues. "Most of the consultant contracts we reviewed did not have a business case to justify the need and those that had been prepared could have been better."

She adds: "I'm pleased that most of the contracts we looked at had been subject to open procurement." However, we also found that some contracts that were awarded through single source procurement should have been subject to some form of tendering."

The report also states that the Government does not have standard terms and conditions for consultant contracts, which also poses a risk to value for money.

"Once appointed, the Government rarely manages or evaluates in any form or way the performance of consultants," Ms. Winspear concludes "Contract management and post-contract evaluation are essential components of obtaining and demonstrating value for money."

More information about these reports can be obtained by contacting Sue Winspear at (345) 244-3201 or Angela Cullen, Director of Performance Audit and report author, at (345) 244-3220.

The reports are available at www.auditorgeneral.gov.ky.

Notes to the editor:

1. The OAG estimated that the Government spent \$34.9 million on consultants and \$3.6 million on temporary staff over the five years from 1 July 2012 to 30 June 2017.
2. The audit reviewed a sample of 23 consultant contracts from eight Ministries and Portfolios across government valued at around \$14.8 million (42 per cent of the total expenditure on consultants over five years).
3. The Office of the Auditor General published '*Management of Government Procurement*' in July 2011.