

7 May 2021

The Government was alert to commercial and fraud risks in its procurement of essential supplies for the COVID-19 pandemic

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment, has today 7 May 2021 published a report on ***Procurement and Supply Chain Management during the COVID-19 pandemic***.

The C&AG is undertaking an extensive programme of work in respect of the Government of Jersey's response to the COVID-19 pandemic. Her ongoing work is considering:

- Overall governance and decision making
- Communications
- Procurement processes and supply chain management
- Management of the healthcare response
- Test, trace and vaccine roll out
- Risk management
- Management of public finances; and
- Schemes to support businesses and individuals.

This third report in the series focusses on procurement processes and supply chain management in respect of the provision of certain essential equipment and resources during 2020. In particular, the report considers the procurement of ventilators, personal protective equipment (PPE), testing kits and the Nightingale Hospital.

Lynn Pamment found that the Government's decisions on procurement of supplies were based on independent, expert scientific advice on the potential impact of the COVID-19 pandemic, prepared in March 2020. The 'reasonable worst case scenario' used as a basis for procurement and supply decisions has not materialised to date.

The C&AG noted that the Government has benefitted from its close relationship with the UK Department of Health and Social Care (DHSC). The DHSC has provided a total of 45 ventilators at no cost to the Island. The DHSC also provided in excess of £5 million of PPE and secured between £1.2 million and £1.5 million of laboratory testing capacity, all free of charge to the Island.

The C&AG found that, as well as that provided by the UK Government, the Government of Jersey procured large volumes of PPE at a cost in excess of £5 million from a range of suppliers from the early stages of the pandemic. Some concerns over sub-standard PPE supplies continue to be investigated by officers in liaison with appropriate authorities.

The C&AG noted that a detailed testing strategy for both diagnosis and surveillance was developed quickly with capacity for analysis on-Island and in the UK. As part of the initial procurement of testing kits, the Government bought uncertified rapid serology tests at a cost £1.3 million. These tests were purchased prior to the UK Medicines and Healthcare products Regulatory Agency (MHRA) releasing its specification criteria. The tests subsequently failed to fully satisfy the MHRA criteria which limits the use of the tests in practice.

The C&AG found that the Nightingale Hospital for 180 patients was designed, commissioned, built and equipped at a total cost of £10.11 million in under six weeks. The Nightingale Hospital has not been used. A detailed and costed decommissioning plan was not prepared at the start of the project in respect of re-instatement of the site and disposal of fixtures, fittings and equipment.

The C&AG noted that, due to urgency, much of the procurement of goods and services was not subject to tender and required exemption from the requirements of competitive tendering set out in the Public Finances Manual (PFM). A small volume of procurement was in breach of the PFM.

Lynn Pamment said:

“Early and rapid action ensured that the procurement response provided capacity and flexibility to deal with the COVID-19 pandemic risk. The Government was alert to commercial and fraud risks in its procurement of essential supplies for the pandemic.

The consistent use of a ‘reasonable worst case scenario’ model from March 2020 to inform procurement decisions has resulted in the procurement of some facilities, equipment and supplies that may never be used. A detailed plan for the future use of the supplies and equipment should be developed to minimise potential waste.

The Island has benefitted from the UK Government provision of equipment, supplies and testing capacity free of charge during the pandemic. This is set to change during 2021 and the Government should re-evaluate its future procurement strategy to ensure value for money continues to be achieved.”

The report *Procurement and Supply Chain Management during the COVID-19 pandemic* can be found at: <https://www.jerseyauditoffice.je>

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Notes to Editors:

- The Office of Comptroller and Auditor General ('C&AG') was established in 2005 and operates under the Comptroller and Auditor General (Jersey) Law 2014
- The remit of the C&AG includes the audit of financial statements, corporate governance, internal control and wider consideration of public funds, often expressed as 'value for money'
- The 2021 Audit Plan (including further details of the C&AG COVID-19 work programme) can be found at: www.jerseyauditoffice.je
- Lynn Pamment took up the Office of C&AG on 1 January 2020 for a fixed term of seven years. Following the introduction of the Comptroller and Auditor General (Jersey) Law 2014 the term of office is fixed at seven years and is non-renewable.
- The Office of Comptroller & Auditor General is known as the 'Jersey Audit Office'.
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- The C&AG is prepared, on an occasional basis, to provide articles for publication in the local media, following a specific request and consideration of the relevant topic
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