

# Use of Consultants – Follow Up

## Project Specification

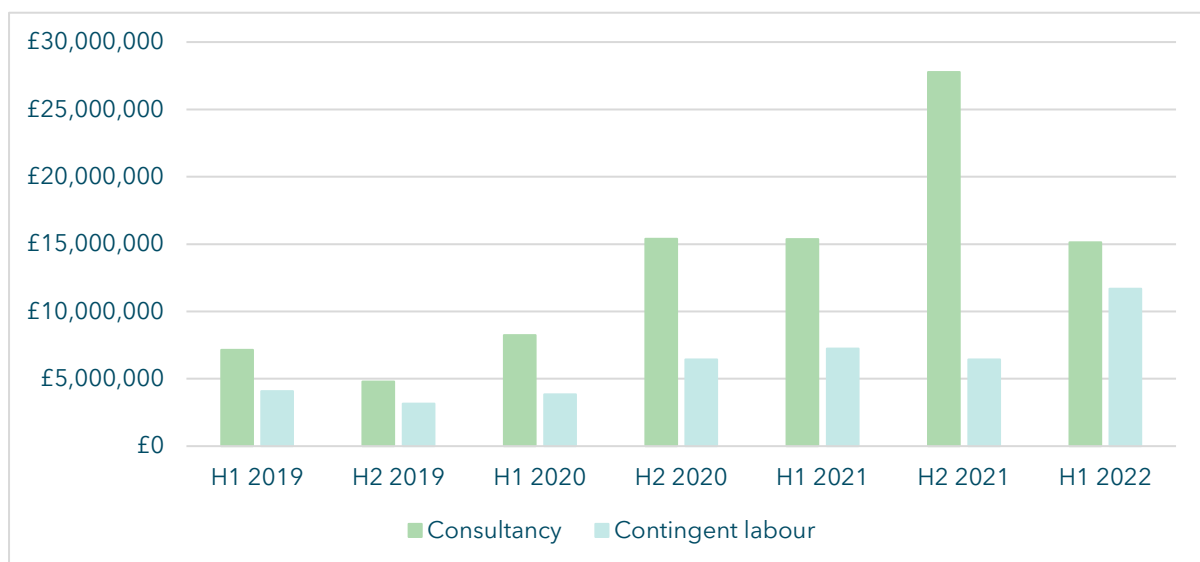
### Background

Consultants, when used correctly and in the appropriate circumstances, can provide great benefit to clients - achieving things that clients do not have the capacity or capability to do themselves. On the other hand, when used incorrectly, consultants can drain budgets very quickly, with little or no productive results.

In October 2016, the C&AG issued a report *Use of Consultants*. The Report considered the use of consultants by the Government of Jersey and made 15 recommendations. In the most recent version of the Government of Jersey Recommendations Tracker, the Government has assessed that all bar one of these recommendations have been implemented. The final recommendation is due to be implemented by the end of June 2023.

Since 2019, the Government has been reporting to the States Assembly on its use of consultants. Exhibit One summarises the money spent on consultancy and on contingent labour between 1 January 2019 and 30 June 2022 (the last published available data).

### Exhibit One: Expenditure on consultancy and contingent labour

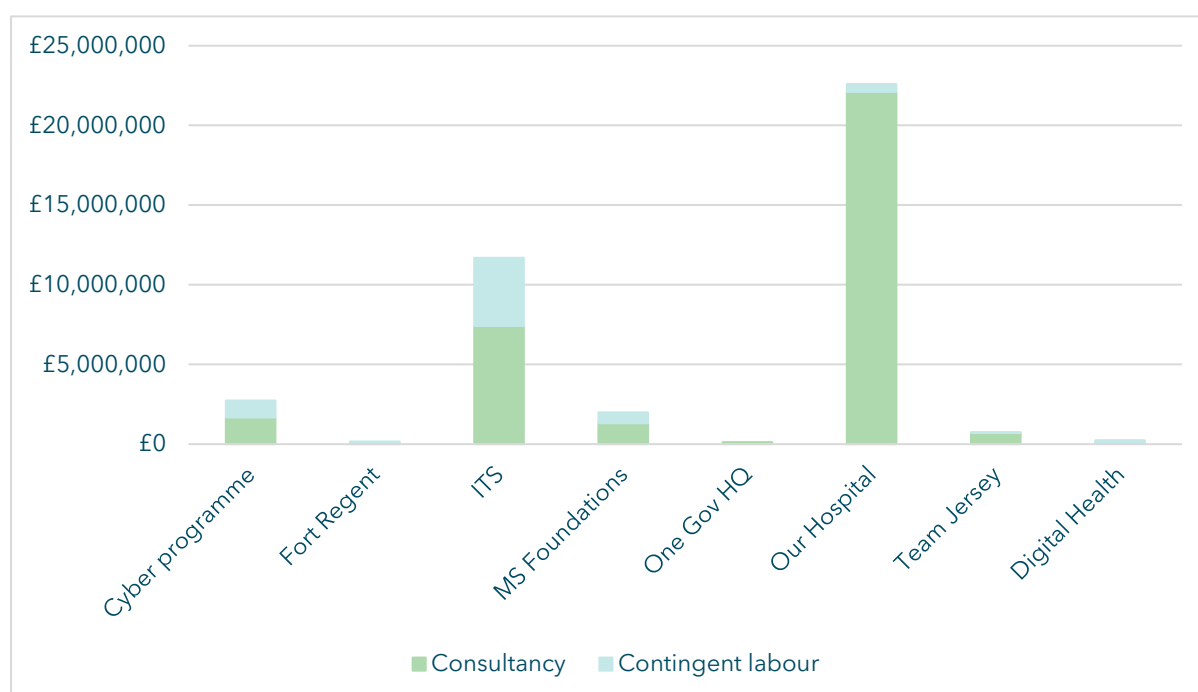


Source: Jersey Audit Office analysis of reports to the States Assembly

In the period from 1 January 2019 to 30 June 2022 the Government spent a total of £93.9 million on consultancy and £42.9 million on contingent labour.

The use of consultants to support major and strategic projects has an impact on the expenditure on consultants. Data on the use of consultants on major and strategic projects has been reported specifically since July 2020. Exhibit Two shows the expenditure on consultancy to support major and strategic projects from 1 July 2021 to 30 June 2022 (the last published available data).

### Exhibit Two: Expenditure on consultancy and contingent labour on major and strategic projects for the year ended 30 June 2022



Source: Jersey Audit Office analysis of reports to the States Assembly

For the year ended 30 June 2022, major and strategic project expenditure accounted for 69% of consultancy expenditure and 38% of contingent labour expenditure.

## The Functions of the Comptroller and Auditor General (C&AG)

Article 11 of the Comptroller and Auditor General (Jersey) Law 2014 requires the C&AG to:

- provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Public Finances Law
- consider and report to the States on:

- the effectiveness of internal controls of the States, States funded bodies and funds
- the economy, efficiency and effectiveness in the way the States, States funded bodies and funds use their resources; and
- the general corporate governance arrangements of the States, States funded bodies and funds; and
- make recommendations to bring about improvement where improvement is needed.

## Objectives of this follow up review

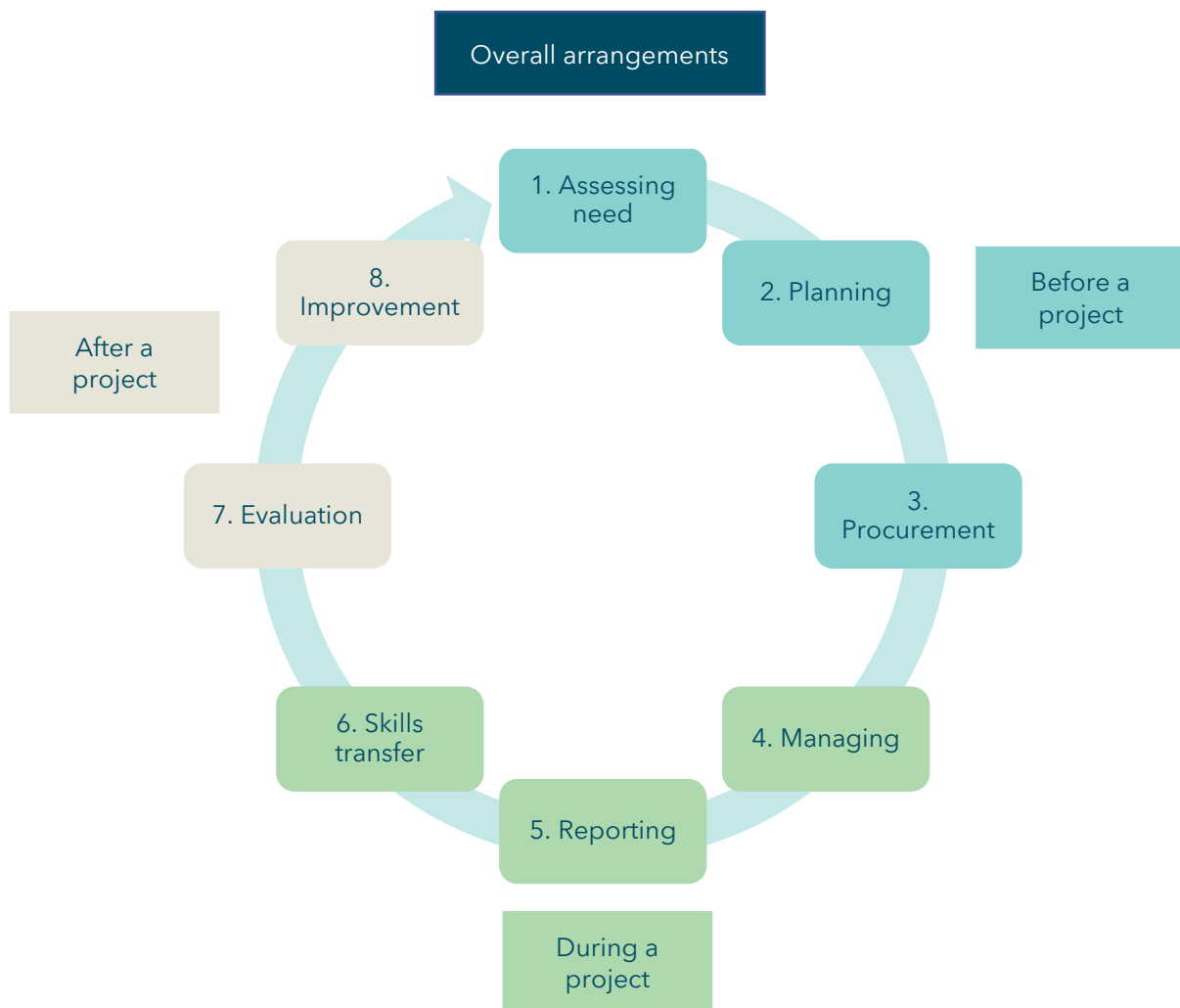
This follow up review will consider:

- the progress made in implementing agreed recommendations from the 2016 C&AG Report
- the extent to which the recommendations as implemented have addressed the improvement areas identified in the Report; and
- the adequacy of plans for the implementation of any outstanding recommendations.

In doing so, the review will evaluate:

- the effectiveness of the States' overall arrangements for use of consultants; and
- the effectiveness of the use of consultants for a sample of consultancy projects against the best practice framework identified in the 2016 Report (Exhibit Three).

## Exhibit Three: Best Practice Framework for Engaging Consultants



Source: Jersey Audit Office

## Scope

The follow up review will focus on consultant expenditure where there was a defined end-point to the work and the responsibility for the final outcome of the work rested with the States. It will not extend to:

- outsourcing; and
- staff substitution; or
- in relation to Information Technology (IT) consultants, the implementation of arrangements in practice or the evaluation of whether value for money has been secured.

## Approach

The review will commence with an initial documentation request. The findings of the document review will be followed up by interviews with key officers and potentially with other stakeholders.

The review will commence in June 2023.

The detailed work will be undertaken by affiliates engaged by the C&AG.



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