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# Consistent and robust processes not yet in place across Government to ensure value for money from use of consultants

## Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment CBE, has today, 06 March 2024 published a report on **Use of Consultants - Follow Up**.

In the period from 1 January 2019 to 31 December 2022 the Government reported a spend of £111.8 million on consultancy and £58.3 million on contingent labour. The use of consultants to support major and strategic projects has an impact on the expenditure on consultants. The latest figures to 31 December 2022 show that major and strategic project expenditure accounted for 74% of consultancy expenditure and 43% of contingent labour expenditure reported to the States Assembly.

**The C&AG found that** one of the important elements to delivering a sustainable workforce for the Island of Jersey, and reducing the reliance on contractors and consultants, is good quality workforce planning. There is however no overarching workforce plan for the Government of Jersey.

The States of Jersey have introduced systems and processes to report on consultant and contingent labour spend. While these processes have brought in an element of control and governance surrounding the more senior personnel, it is not clear whether this is improving the effectiveness of recruitment and retention of a more stable permanent workforce.

The reporting of consultant and contingent labour spend to the States Assembly has fallen behind. In February 2023 the P.59/2019 report for January to June 2022 was published. It was not until February 2024 that the P.59/2019 report for July 2022 to December 2022 was published. This latest report showed a significant increase in consultancy expenditure on non-major projects compared with previous periods.

More generally, the monitoring of expenditure on consultants and contingent labour is not undertaken in a consistent manner across Government. The C&AG has not seen strong evidence of this expenditure being reported on a regular basis at departmental

level and there is no corporate monitoring of the expenditure across Government at a senior level a consistent basis.

When the need for additional consultancy and contingent labour is identified, the C&AG would expect to see documented consideration and evaluation of the alternative options for meeting the need and an assessment of which option delivers best value for money, as well as a re-evaluation of alternative options on a regular basis throughout any assignment. These were not evident from the review.

From her review of the expenditure on a sample of consultants and contingent labour, programme and project management was highlighted as one of the skills deficit areas; with significant numbers of temporary assignments for these areas of work and some arrangements with individuals and firms being in place since 2019, in various roles for different departments and projects.

The C&AG identified examples of such arrangements that were not procured through a tender process, but through procurement exemptions. In addition, the rates that are being paid for such roles far exceed the cost of employing substantive project managers. At least one such role that Lynn Pamment reviewed has cost the Government more than £300,000 annually (including expenses).

**Lynn Pamment also noted that** one of the most important success factors in commissioning consultants is the output and outcomes from the piece of work. Very clear objectives and timescales should be set at the start and should be measured throughout the project, with a final outcome report at the end. While this is evident in some of the large projects and transformation pieces reviewed, it is much less clear for non-major projects and where contingent labour has been commissioned.

When output reports are produced at the end of a project, the C&AG saw that recommendations and findings are not always tracked consistently. There is little evidence from the work undertaken for this review of systematic reporting on benefits realisation or timely implementation of recommendations made by consultants. There is a risk that the value from some pieces of work could be lost without a more rigorous approach to management 'post commission'.

**Lynn Pamment CBE said:**

"There will always be certain skills that are not available on Island and skills that are not needed by the States of Jersey on a permanent basis. In addition, for any organisation committed to a number of major and strategic change projects there will be a need to consider the use of consultancy support. The States of Jersey are no exception.

"However, where consultants are used, there is a need to ensure robust processes are in place to drive value for money. My review has identified that such processes are not in place on a consistent basis across the States of Jersey. As a consequence, value for money from the use of consultants cannot be demonstrated consistently.

"The States of Jersey should build on earlier progress by implementing the recommendations in this report to secure better value for money from their use of consultants."

The report *Use of Consultants - Follow Up* can be found at <https://www.jerseyauditoffice.je>

**ENDS**

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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 2024 Audit Plan can be found at: [www.jerseyauditoffice.je](http://www.jerseyauditoffice.je)
- Lynn Pamment CBE 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 and Auditor General is known as the 'Jersey Audit Office'.
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