

**PPUG SEMINAR "PUBLIC PROCUREMENT AUDIT"**

**Lisboa, 14-15 October 2010**

**Workshop on Performance Public Procurement Audit**

**Case: The acquisition of consulting services**

Often, Ministries and Central State administration bodies, both agencies and departments, where expert or technical advice is required for specific decisions to be taken by their top management, acquire consulting services from the market.

In 2006, a set of ninety six of those bodies have carried out an expense of 55,5 million € for that kind of services, representing a significant percentage of public spending with providers of services and around 42% of the 134,133 million € spent by the whole Central Administration in this type of services. That amount represented 0,11 % of the Gross Domestic Product (GDP) in 2006.

Consultancy and similar services are acquired to private sector providers in every ministry, but we are aware that, in a large number of cases, those central administration bodies do carry exclusive consultancy functions.

The accounting of these expenses has shown that other kinds of expenses are included in the same poll, such as wages and other similar payments to ordinary staff (not consultants).

To the considerable amounts spent every year in purchasing this type of services, one must add the risks involved in their procurement, due to potential conflicts of interests that often put leaders and heads of such bodies, including ministers, under suspicion. Violations of competition law and transparency principles may happen.

On the other hand, it is a general perception that, often, these services are bought through direct award or, at least, with no open tendering. EU Directives and other national legislation concerning the public procurement of services may be overlooked.

\*\*\*\*\*

Suppose that you are put in charge of an audit to address this situation.

Please prepare the scheme for this audit, drafting its objectives and main questions.

In that drafting, you are invited to consider the Public Procurement Working Group documents, mainly the Procurement Performance Model and the Checklists.