



## Summary and recommendations

### Background and grounds

Government actors annually spend large amounts of money on procuring consultancy services. The use of consultants puts demands on the government agencies as both buyer and recipient of the services provided by consultants as wrong decisions can be costly and lead to consequences for the State that are difficult to foresee. There is also a risk of there being a lack of awareness among the agencies as regards how and why consultants are used. This lack of awareness can result in consultants influencing decision makers, working methods and other processes in a way that deviates from the mission of the government agencies. In addition, there is a lack of statistics regarding agencies' procurement and use of consultancy services, and few studies have been conducted in this area.

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## Questions and assessment criteria

The purpose of the audit has been to examine whether the State's use and procurement of consultancy services are characterised by good management and the efficient use of resources. The audit has been guided by two questions – firstly, whether the agencies' use and procurement of consultancy services is well founded, and secondly, whether the control over use and procurement of consultancy services is adequate. In the audit, principles for good procurement practice have been used to assess the procurement work of the agencies.

## Results of the audit

The overall results of the audit indicate that the use of consultancy services in general is not well founded and that the agencies' control over consultant use is inadequate. One consequence of this is that there is a risk that several agencies' procurements of consultancy services are ineffective and that they are not making efficient use of state resources. Most agencies can improve with regard to assuming a strategic hold on procurement and purchasing, and there are many good examples of government agencies that have successfully done so.

## Government agencies should also improve how they analyse their need for consultants

Engaging consultants is an important element of skills supply within government agencies and, used properly, consultants can be an effective way to, for example, implement changes in agencies. However, when incorrectly used, it is hard for consultants to make a positive impact on the agencies' operations. One determining factor is if the use of consultants is preceded by an analysis where it is concluded that the total cost of engaging consultancy services is less than the cost of building up or employing the equivalent competence within the agency. The audit shows that there is a risk that agencies' decisions to use consultants are not always based on a needs analysis and that, as a result, the agencies bring in consultants with an unclear purpose without having ascertained whether this is the most effective way to achieve their goal. It is vital that the agencies include their procurement of consultants in their skills supply plan.

## The coordination of the State's procurement and purchasing activities can improve

Agencies state that the Legal, Financial and Administrative Services Agency's (Kammarkollegiet) framework agreement for consultancy services is often reviewed or is not in line with the agency's needs. There are also types of consultancy services for which the Legal, Financial and Administrative Services Agency does not have a framework agreement. Many agencies therefore choose to sign their own framework agreements. In addition, there appears to be divergent views among agencies regarding how the Legal, Financial and Administrative Services Agency's framework agreement is to be used. Overall, the problems mean that the Legal, Financial and Administrative Services Agency's framework agreement for consultancy services is used to a lesser extent than what is possible or desirable. There is thus a risk of additional costs for the State as a whole as agencies spend time and resources on signing their own agreements. State framework agreements that cover the agencies' needs and are also used by the agencies can increase efficiency and prevent corruption during procurements.

## The agencies can become better buyers

Most agencies can become better at working strategically with procurement and purchasing. The purchasing work of agencies often lacks a clear structure, coordination and a holistic perspective. The agencies would likely be able to make significant improvements with increased involvement from the management and by better integrating their purchasing functions with the regular operations. There is also a risk that procurement officers and buyers in several agencies lack sufficient support and tools in the procurement process to be able to make well-founded decisions regarding the procurement of consultancy services.

The lack of internal coordination can lead to the agencies' needs falling to the wayside in the procurement process and to the agency either not acquiring the required competence or not having control over the consultancy services that are procured. The procurement is often carried out according to applicable laws and regulations, but the opportunities to make advantageous deals are not fully utilised. Overall, there is a risk of the agency not obtaining the competence or the effect intended by a procurement if buyer competence is lacking within the agencies.

## The agencies are not utilising the consultants' competence

Agencies often have an idea about how a project with consultants is to be staffed, but within many government agencies there is a lack of documented support and management of how these services are to be received.

The audit also indicates that agencies do not sufficiently follow up on the work of consultants during the course of projects, and that there is a risk of agencies not fully utilising the competence of consultants, for example, where the transfer of competence from the consultants is not effectively utilised.

## The work of consultants is rarely evaluated

The audit reveals that several agencies lack policies and procedures for evaluating the work of consultants. Evaluating consultants' work – what they have achieved, if the services have had the desired effect and the influence their work has had on agency decisions – is vital for the legitimacy of government agency's decisions to use consultants. Not being able to account for what consultants do or how their work has influenced the agency's operations can erode confidence in the State.

## The agencies have an insufficient overview of their usage and procurements

There are several observations in the audit which indicate that the agencies have an insufficient overview of their consultant procurements. The audit has shown that the reporting of consultants' work within the agencies is not transparent. The reporting is not satisfactory with regard to what costs are incurred by agencies in engaging consultants, what the consultants do, what they provide and how their presence in agencies influences agencies' actions.

The Swedish NAO has distributed a survey regarding the procurement of consultancy services to a large number of government agencies. Many of them have had difficulties with providing satisfactory answers to questions on their use of consultants.

## Recommendations

On the basis of the audit's outcome, the Swedish NAO provides the following recommendations:

- The Government should explore the possibilities of imposing requirements on agencies to account for their procurement of consultancy services. This would

enable the agencies and the Government to monitor costs for using consultants. An expanded reporting requirement for procured consultancy services would in time lead to greater transparency and more well-founded decisions.

- The Swedish NAO recommends that the Government instructs the Legal, Financial and Administrative Services Agency and the National Agency for Public Procurement to jointly review how use of the state framework agreements can be increased, and also how government agencies can to a greater extent take advantage of the possibilities of procuring joint consultancy solutions.
- The Swedish NAO recommends that the National Agency for Public Procurement increasingly prioritise its work with assisting procuring agencies and units, for example by highlighting and disseminating good examples of strategic procurement work in the State.