

This report presents the outcomes of a performance audit on *Consulting Expenses of the Central State Administration Bodies* and covered the **three-year period 2004 - 2006**.

In 2006, the State, at the level of the Central Administration had, for the performance of its consultative function, ninety-six bodies/services, of which thirty-two were entities with exclusively consultative functions, accounting for 10.6 million Euros of the expense carried out.

The remaining **sixty-four** corresponded to “**other services/bodies**”, which also included, when carrying out their tasks, **consultative duties**. **The operating expense of this group of bodies totalled 714.32 million Euros, but it was impossible to determine the charges exclusively allocated to the consultative duties of the said entities.**

In turn, the **96 State’s consultative bodies and services resorted themselves to consulting and auditing studies, opinions and others, which were rendered by external bodies, amounting to 7.4 million Euros**. They accounted for **17.2% of the overall expenditure as regards this item and 0.02% of the overall State’s spending**.

There was no evidence whether the audited entities have carried out *ex ante* formal evaluations, i.e., they did not carry out any cost-benefit analysis that justified such decision. This fact suggests that these initiatives have not always answered to a justified and fundamental need for the public contracting entities.

The market consultation was not a volunteer and commonly used practice, except for the situations in which the law expressly prescribed their mandatory character.

As for the **type of award**, the *direct award procedure* was chosen **in 86% of the cases**.

From the analysis of the **different procedures adopted, in particular in terms of the direct award procedure, nearly 53.7% of them did not show to have been gone through by any prior consultation**.

The situations in which the direct award procedure resulted from a suggestion of the different ministries are particularly worrying.

The systematic *ex-post* evaluation practice was not detected either, through the elaboration of evaluation reports or other tools that mentioned the outcomes obtained, the quality and the performance of the consultants in order to optimize the resources in future contracts.

In fact, the absence of evaluation reports is not compatible with the rigour and correctness of the management of public money by public entities.

Considering the outcomes obtained, the Court gives the Government the following recommendations:

- **Enforce the principles of competition, information and transparency as well as, the strict observance of the good management criteria for the public money.**
- **Order the services and bodies of the Central Administration to promote the cost-benefit analysis during the *ex-ante* stage of the procurement procedures and the evaluation of the performance of the awarding entity during the *ex post* stage of the procurement procedure, and the respective outcomes should be put in writing and referenced to in the activity reports of the competent authorities.**
- **Consider if, in terms of economy, efficiency and effectiveness criteria, at the level of Central Administration, the existing 96 services and bodies in 2007, having consultative competencies, should remain as they are and simultaneously resort themselves, without showing the respective need, to external consulting services.**