

June 2015 – Report of the Auditor General

Chapter 4: Procurement and Management of Professional Services Contracts

Why we did this audit:

- Purchases of professional services represent a significant expense for government (2013-14 – \$255 million)
- We have noted past problems with procurement and contract management of large projects
- Government wants to make sure it gets value-for-money on these purchases

Overall Conclusions:

- Overall, Departments audited generally follow procurement requirements but approvals need work
- We made 9 recommendations
- Departments agreed with all recommendations

What we found in our audit:

- Departments audited generally follow procurement legislation, policy and guidelines
- 10% of the items we tested lacked proper approval
- Procurement services does not do a good job of monitoring to ensure the Act and government policies are followed
- Overall, departments audited do a good job of monitoring contracts to make sure services are received
- Departments are not assessing how suppliers performed
- 10% of items had no contract
- Standing offer suppliers have overall contracts with government but no project-specific contracts to make sure everyone understands services to be delivered
- Most contracts missing dispute resolution and payment penalty clauses
- There is a risk of problems with Canada Revenue Agency's rules on employee-employer relationships



5161 George Street
Royal Centre, Suite 400
Halifax, Nova Scotia
B3J 1M7
www.oag-ns.ca
 @OAG_NS