

## **SUMMARY**

### **Summary of Report 25/2018, relating to the Department for Work, Social Affairs and Families, grants from the Directorate-General for Child and Adolescent Assistance, year 2016**

*Barcelona, 16 January 2019*

The Public Audit Office for Catalonia has issued Report 25/2018, relating to grants from the Department for Work, Social Affairs and Families, through its Directorate-General for Child and Adolescent Assistance (DGAIA), in financial year 2016, in accordance with its Annual Programme of Activities.

The report, which was presented by the Chairman, Mr Jaume Amat, was approved by the Audit Office Board at its meeting on 20 November 2018.

The subject of the report is the audit of grants and other assistance provided by the Department for Work, Social Affairs and Families, whose cost is covered by budget appropriations under subsection 48, To Families, Not-for-Profit Organisations and Other Corporate Bodies, of the DGAIA's expenditure budget for year 2016. The review included auditing the calls issued for grant applications, the subsidies and grants awarded and how beneficiaries fulfilled their commitments.

In the DGAIA's budget implementation for year 2016, recognised expenditures for appropriations under subsection 48 came to €25.91m.

The most important findings from the audit, as given in section 3.1 of the report, can be summarised as follows:

- The calculations to determine the grant amounts awarded to beneficiary entities through competitive processes introduced criteria which had not been specified or were contrary to those specified in the rules for the application process. In addition, there were occasional instances of mathematical criteria being applied which were not directly proportional to the points awarded from assessing the applications; this was contrary to the rules for these grant application processes.

In its analysis of the documents with the calculations to justify the grant amounts awarded to the entities, the Audit Office found errors which were indicative of weaknesses in internal procedures. The mistakes detected affected fourteen subsidised activities, carried out by eight beneficiary entities.

- The most significant expenditure items allocated to the accounts presented to justify the subsidised activities were those relating to the salaries of staff assigned to implementing the actions being funded. Between the initial applications and the final justifications, the details of employees allocated to the activity and/or the percentage of their time involved varied significantly. In one instance, the monthly wages of two employees who until that time had not been involved in the activity were allocated to it; and this was for the month of August, when the subsidised activity was not taking place.

Part of the relevant accounts and expenditure vouchers providing proof of the outlays allocated to the subsidised projects were presented by the beneficiary entities after the deadline set for submitting these documents.

- In year 2016 the DGAIA awarded two grants directly, worth a total of €36,000. The documentary evidence provided did not include the final written report describing completion of the funded activity and in one of the two cases neither did it include the closing financial report for the activity, as required by the grant awarding decisions.
- As regards the assistance to minors in high-risk circumstances, the files for awarding these types of grants did not include the half-yearly reports to monitor compliance with the socio-educational commitments agreed on for these minors. In most instances, the report by the team monitoring the minor was an annual one and coincided with the end of the established commitment period or extension period. It should be borne in mind that regulations state that the assistance paid by the DGAIA is subject to the continuing validity of socio-educational commitments and their fulfilment.
- As regards the assistance for young adults formerly under child care orders, the audit showed deficiencies in the checks and proofs that they were fulfilling the work income requirements for them to be grant beneficiaries or that they were actually officially residing in Catalonia. Furthermore, in seven of the fifteen cases analysed, there was no record of the periodical reviews of the criteria for assessing the goals and activities established in the individual Work Plan arranged with each young adult, or else this assessment was undertaken after a time lapse longer than the one specified.

The Audit Office makes five recommendations which could help to improve the matters highlighted in the report. These refer to the assessment of grant applications, to the monitoring of subsidised expenditures when these are also financed by own funds or by other grants, to the monitoring of subsidised programmes and activities, to assessing the neediness of beneficiaries of social assistance grants and to the possibility of carrying out audits to check compliance with contractual commitments in the case of the young adults formerly under child care orders.

This summary is solely for information purposes. The audit report (in Catalan and Spanish) can be consulted at [www.sindicatura.cat](http://www.sindicatura.cat).