

SUMMARY

Summary of Report 16/2019, relating to El Baix Ebre County Council, year 2016

Barcelona, 30 October 2019

The Public Audit Office for Catalonia has issued Report 16/2019, relating to El Baix Ebre County Council (*Consell Comarcal*), financial year 2016, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Miquel Salazar, was approved by the Audit Office Board at its meeting on 25 September 2019.

The assignment was a limited financial audit of the County Council; its aim was to review the budget outturn and compliance with applicable legislation in the areas of accounting, the budget cycle, staff salaries and governmental procurement in year 2016.

The County Council's starting budget envisaged revenues and expenditures of €10,682,573 and during the year modifications to budget appropriations totalling €1,372,242 were approved. So the final budget was for €12,054,815.

The most significant findings from the audit work carried out, as explained in section 3.1 of the report, can be summarised as follows:

- During year 2016 the County Council's Comptroller's Office (*Intervenció*) did not undertake any internal audit report on the limited company, wholly owned by local councils, Baix Ebre Innova, SL, or on the public sector consortia attached to the County Council.
- The County Council did not publish on the transparency section of its website the annual declarations of activities and assets presented by the representatives at the start of their term of office in 2015.
- The Comptroller's report concluded that, when incorporating the budget surplus from the previous year, the budget stability objective was not being met, and recommended that the relevant Financing Plan be drawn up and that the Directorate-General for Financial Policy, Insurance and the Treasury be notified, as legislation required. Even though the County Council Chairman decreed that this Plan should be drawn up and approved, this was never carried out, nor was the Directorate-General notified.
- There was a failure to publicise the approval of one of the budget appropriation modifications, which included an extraordinary appropriation item of €715,582 and a supplementary budget appropriation of €58,186.

- In the review of loans and overdrafts obtained, the audit found that the County Council had reported on the Balance Sheet its overdraft facilities for the available limit of €1,700,000 instead of for the amount actually taken up, €596,852; this meant that both its Cash on Hand and its Short Term Loans from Banking Institutions were overvalued by €1,103,148.
- The Balance Sheet did not include any item for the minority stake held by the County Council in the wind farm company Parc Eòlic Baix Ebre, SA. The Notes to the Accounts did not give any details of this either, or of the County Council's shareholding in the healthcare company Gestió de Serveis Sanitaris, SA.
- The County Council's official Schedule of Staff Positions was not published and it did not include the specific salary assigned to each position; this was contrary to statutory requirements.
- The amounts registered on the accounts under Productivity Bonuses should have been put on the books under Staff Salaries, because they were awarded as periodical payments and were related to the characteristics of each job position.
- In the audit of public sector procurement, in two of the contracts reviewed anomalies were detected relating to the assessment of the tenders received and the scores given to them.

In another of the contracts reviewed, tendered out as a contract for running services, the audit detected that the awardee was not shouldering the financial risk involved in running the service, because in practical terms the Council was picking up the service's costs.

The report includes some recommendations which, in the Public Audit Office's view, would help to resolve the deficiencies uncovered and improve the way the County Council is run.

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