

## **SUMMARY**

### **Summary of Report 17/2019, relating to the Institute of Photonic Sciences Foundation, year 2017**

*Barcelona, 4 December 2019*

The Public Audit Office for Catalonia has issued Report 17/2019, relating to the Institute of Photonic Sciences Foundation (ICFO), financial year 2017, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 20 November 2019.

The work undertaken for this audit of limited scope included auditing ICFO's current and capital expenditures and debt levels and reviewing its compliance with basic legislation applying to the areas of accounting, the budget cycle, staffing and procurement.

ICFO was set up by the Government of Catalonia (*Generalitat*) and the Polytechnic University of Catalonia (UPC) on 6 March 2002. Its mission is quality research and higher education in the field of photonics, with the aim of being a leading world-class scientific centre. It is recognised as one of Catalonia's research centres (the CERCA group).

In 2017 ICFO, according to its Statement of Earnings, had operating revenues of €23.56m and operating expenditures of €23.47m. In that year it had an average workforce of 365 persons.

The Conclusions section of the report presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- ICFO's Statutes did not include a reference to which government administration it was to be attached to, as required by the Public Sector Legal Regime Act (Act 40/2015).
- ICFO did not have its own collective bargaining agreement and applied one which it was expressly excluded from. Nor did it have approved wage tables stating the amounts assigned to the different wage items for each category of employees.
- The management document Definition of Staff Groups was approved by ICFO's Director in 2015, but it was not approved by the Board of Trustees until June 2019. Furthermore, this document fixed minimum salary levels but not maximum ones; this allowed an excessive degree of discretionary powers in establishing salaries.

- Approval of some complementary wage items was not carried out as required by applicable internal regulations.
- ICFO had several researchers on secondment from ICREA (the Catalan Institution for Research and Advanced Studies Foundation) with whom it had signed part-time job contracts. The Audit Office considers that having two signed labour contracts (one with ICREA and another with ICFO) gives rise to salary duplications for the same activity, and that it would be more appropriate for any additional earnings, which ICREA researchers on secondment to ICFO are entitled to receive, to be paid by ICREA, notwithstanding the compensation which ICFO should then pay ICREA.
- In June 2019 the transparency section of the ICFO website did not include the information on staff envisaged in articles 8 and 9 of the Transparency, Access to Public Information and Good Governance Act (Act 19/2014, of 29 December).
- As a consequence of the regulatory regime in place, ICFO's personnel expenditures did not show the cost of staff posted there on secondment, whose wages were paid by the entity they were seconded from (mostly ICREA and UPC).
- ICFO acquired services and supplies on a recurring basis through direct purchases which, although they were individually below the limit for low-value-contracts, cumulatively represented large sums of money. Contracts or framework agreements should have been drawn up and signed for these services and supplies in order to follow applicable procurement procedures.
- ICFO procured some services without actually signing a contract with the suppliers.

Finally, in the Conclusions section of the report various recommendations are made which, in the view of the Audit Office, would help to resolve some of the issues mentioned in the Findings section.

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).