

SUMMARY

Summary of Report 10/2019, relating to the Department of Justice, governmental procurement, year 2016

Barcelona, 4 September 2019

The Public Audit Office for Catalonia has issued Report 10/2019, relating to governmental procurement at the Department of Justice in year 2016, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Ms Emma Balseiro, was approved by the Audit Office Board at its meeting on 26 June 2019.

The subject of this report is the audit of public sector procurement carried out by the Department of Justice in year 2016 and its compliance with the applicable statutory requirements.

According to current legislation, the functions attributed to the Department of Justice include those relating to the judicial administrative apparatus in Catalonia and its modernisation, the prison service, justice for juvenile offenders, developing Catalan civil law, alternative arrangements for resolving disputes and any other function conferred on it by laws or other statutory instruments.

In year 2016 the Department of Justice awarded nine hundred and ninety contracts totalling €14.25m, of which twenty-eight were higher-value contracts, worth €7.22m, and nine hundred and sixty-two were low-value contracts, with awards totalling €7.03m. Twenty-seven agreements were also signed involving modifications or extensions of contracts from previous years, totalling €15.35M. In addition, the Department made orders for in-house work through eighty-four commissions worth a total of €34.61m.

In the Conclusions section of the report there is a summary of the main findings from the work carried out, of which the following can be highlighted:

- In year 2016 nine hundred and sixty-two low-value contracts were awarded, worth a total of €7.03M, in other words 49.03% of all procurement awards by the Department of Justice. In the audit carried out, certain anomalies were detected relating to the contracts' object or purpose, amounts, dates or contract types, which constituted an infringement of article 86, paragraph 2, of Spain's Consolidated Public Sector Contracts Act, and which therefore led to the view that there had been an improper splitting-up of contracts.

The way public sector procurement was handled encouraged the recurring usage of low-value contracts to make up for insufficient own resources, thereby disfavours

the use of the standard open, restricted or negotiated procedures as laid down by legislation.

- The Audit Office considers that, after 18 April 2016, in-house commissions by the Department to the Centre for Offender Rehabilitation Initiatives (CIRE), worth €0.90M, did not fulfil the requirements laid down by Directive 2014/24/EU to be considered as such.
- The review of the in-house procurement procedures for information technology services in 2016 showed a lack of control of assets held and of the cost allocation systems used to invoice the Department of Justice.
- The Department of Justice, following budgeting instructions, reported as investments in tangible assets (budget section 6) public works envisaged and not carried out worth €1.33m in 2015, €0.62m in 2016 and €2.97m in 2017. The Audit Office considers that budgetary reporting of investments should correspond only to that part of capital expenditure actually undertaken, and that any remaining advance payments, if needed, should be recorded in the accounts under budget section 8.

Lastly, the report includes recommendations relating to planning and monitoring procurement procedures and to monitoring, overseeing and accounting for in-house commissions which, in the Audit Office's opinion, could help to improve procurement management at the Department of Justice.

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