

SUMMARY

Summary of Report 14/2021, relating to the International Catalan Institute for Peace, year 2019

Barcelona, 2 September 2021

The Public Audit Office for Catalonia has issued Report 14/2021, relating to the International Catalan Institute for Peace (ICIP), financial year 2019, 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 13 July 2021.

The regularity audit included a review of ICIP's annual accounts for the year in question, to check that they had been drawn up in accordance with the relevant financial reporting regulatory framework and, in particular, the accounting principles and criteria contained in that framework. It also included verifying that during the audited period the entity had carried out its activities in accordance with applicable legislation.

The International Catalan Institute for Peace was created by Act 14/2007, of 5 December, as an independent public entity of an institutional nature. Its purpose is to promote a culture of peace in Catalan society and in the international arena and enable Catalonia to have an active role as an agent of peace in the world. In the year covered by the audit its relations with the Government were through the Department for Foreign Action, Institutional Relations and Transparency.

As at 31 December 2019 ICIP's Budget Outturn Statement showed realised receipts of €1,024,276 and recognised expenditures of €1,059,207, with a budgetary result, after adjustments, of €120,608.

The Audit Office's opinion, as given in section 3 of the report, is that, except for the matters described in findings 1 and 2, the annual accounts represent in all significant aspects a true and fair view of ICIP's assets and financial position as at 31 December 2019, and also of its results, cash flow and budget outturn corresponding to the financial year ending on that date.

Some of the most significant findings arising from the audit carried out can be summarised as follows:

- ICIP failed to register expenditures of €10,966 in section 4 of the expenditure budget for its final payment of the Entities 2016-2017 grant. And in its calculation of the adjusted budgetary result it also failed to include €44,174 from funding deviations for the remaining

grants. As a consequence, the budgetary result before adjustments should have been minus €45,897 and the funding surplus for the year, after adjustments, plus €65,468.

- According to the Catalan Government's General Public Accounting Plan, as at 31 December 2019 ICIP should have made a provision of €73,686 for grants awarded under the Entities 2017-2018 and R-ICIP 2016-2017 programmes where any of the conditions laid down for their payment were pending fulfilment but where future fulfilment was not in doubt. The result for the year and the results from previous years were therefore overvalued, respectively, by €36,750 and €36,936.
- The Institute's director had a senior executive labour contract. The Audit Office considered that this employment contract was not appropriate to ICIP's status as a public-law entity.
- ICIP occupies part of a building owned by a third party that has leased it out to the Catalan Government. In 2019 ICIP had not signed any sublease agreement with the Government for the offices it occupied. Nor was it paying for any of the building's expenses, whether for spaces for its own use or for shared spaces.
- ICIP did not have one overall inventory of assets. For accounting purposes it worked with two auxiliary ledgers on spreadsheets.
- In the review of low-value contracts, issues were detected relating to the separate acquisition of services which should have been handled in a single contract, because they involved a succession of purchases to cover recurring or foreseeable needs. These anomalies resulted in processes which eluded publicity rules or other requirements in the procurement procedures which should have been followed. For this reason, they constituted an improper splitting-up of a contract and, therefore, an infringement of article 86.2 of the Consolidated Public Sector Contracts Act and articles 99.2 and 118.3 of the Public Sector Contracts Act.
- As regards grants, some of the most significant findings were as follows:
 - ICIP overran the deadlines, established in the calls for applications for the Entities 2019 and R-ICIP 2019 grants, for completing the awarding processes within six months of the official announcements being published in the Official Journal of the Catalan Government (*Diari Oficial de la Generalitat de Catalunya*).
 - ICIP did not have any procedure in place to countersign or stamp the expenditure vouchers submitted by beneficiaries, so as to check that any grants awarded in parallel did not overlap and end up paying more than the total cost of the subsidised activity, as mandated by Departmental Order ECO/172/2015, of 3 of June.
 - Part of the expenditures justified by beneficiaries of the Entities 2016-2017 and Entities 2017-2018 grants corresponded to staff on the payroll of these beneficiaries; they

justified the expenditures with their employees' payslips without identifying the percentage of each worker's time allocated to the projects involved.

- As regards compliance with transparency regulations, in February 2021 the transparency section of ICIP's website did not include up-to-date information on staff salaries. This contravened the stipulations of the Transparency, Access to Public Information and Good Governance Act (Act 19/2014, of 29 December).

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