

SUMMARY

Summary of Report 4/2015, relating to the Catalan Employment Service, Parliamentary Resolution 637/IX

Barcelona, 3 June 2015

The Public Audit Office for Catalonia has issued audit report 4/2015, relating to the SOC, the Catalan Employment Service (*Servei d'Ocupació de Catalunya*), in accordance with its Annual Programme of Activities and to fulfil Resolution 637/IX of the Parliament of Catalonia, which commissioned the production of an audit report by the public audit institution on the grants awarded by the SOC in 2009 and 2010.

The report, presented by Board Member Mr Miquel Salazar, was approved by the Audit Office Board at its meeting on 26 March 2015.

The scope of the audit assignment was an analysis of the accounting and financial management of grants and subsidies, to assess whether they had been managed in accordance with relevant legislation. This meant verifying the initial and ongoing compliance of eligibility requirements and conditions by recipients; the compatibility of grants with other possible funds awarded for the same purpose; the correct accounting of payments; and the review process to check that money had been properly spent.

The SOC is an autonomous agency with its own separate legal identity, attached to the Department for Business and Employment, with statutory powers to manage government policies to promote employment.

The SOC is in charge of managing and implementing European Social Fund (ESF) resources in Catalonia, with the Department for Business and Employment as a cooperating partner.

The ESF Operational Programme for the Autonomous Region of Catalonia (2007-2013), presented by Spain and approved by the European Union, designates the SOC as an intermediate body for the programme to implement certain activities within the functions pertaining to the managing authority, which is a role assigned by European officials to the Spanish Central Government (*Administración General del Estado*).

The auditee's expenditure budget was € 766.57 m in 2009 and € 835.32 m in 2010. In 2009 the workforce comprised 1,467 people; in 2010 it was 1,404.

In section 3 of the report there is a summary of the main findings and recommendations arising from the work carried out, of which the following are particularly noteworthy:

- The SOC has several IT systems, but no integrated database of all the grants and subsidies it manages. This means it cannot promptly and immediately ascertain what grants have been awarded in any particular financial year or keep track of the procedural process.
- The regulatory complexity of the official announcements offering grants for training programmes has been highlighted. This complexity, affecting both the Department's own regulations and higher statutory provisions, has repercussions in the first instance for the SOC's own managerial staff, but also for those applying for funding, the beneficiaries and, in particular, the users of the service.
- In many aspects the documents held in the files do not reliably prove that the beneficiaries fulfil the requirements. Neither do they show the monitoring and review work that has been carried out by officials, because this work is not properly documented. In addition, the documents attesting the review phase are not standardised.
- The SOC carries out on-site inspections to check that beneficiaries are fulfilling their obligations, but it does not draw up a plan for these visits in advance, detailing the population to be reviewed, the sampling criteria and the scope of the review work.
- The failings uncovered regarding assessment criteria and how they are justified in the assessment reports refer to assessment subcriteria being applied which were not laid down in the schemes' regulatory details or official announcements, and to non-existent or insufficient justification of the points awarded in the assessment reports.
- The Audit Office considers that the SOC should initiate proceedings for the recovery of funds in circumstances where, according to the applicable regulations, proof of expenditure has not been presented or is insufficient and, in general, in all cases envisaged by the law, bearing in mind that the statute of limitations' expiry period for initiating these proceedings is five years from the presentation deadline.
- As a result of the audit work carried out, the Audit Office is of the opinion that the SOC should reconsider whether the systems traditionally used for running these programmes, issuing official announcements of grant packages to be awarded, are the most adequate to fulfil its objectives.

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