
SUMMARY

Summary of Report 7/2015, relating to the Barcelona Mar Health Park Consortium, year 2011

Barcelona, 10 June 2015

The Public Audit Office for Catalonia has issued the audit report on the CMPS, the Barcelona Mar Health Park Consortium (*Consorci Mar Parc de Salut de Barcelona*) for the financial year 2011, in accordance with its Annual Programme of Activities and the provisions of article 71 of the consolidated Catalan Public Finance Act.

The report, presented by Board Member Mr Andreu Morillas, was approved by the Audit Office Board at its meeting on 21 April 2015.

The CMPS is an entity with its own separate legal identity, independent of that of its member organisations, and with full power to act in its own right. Its management structure is shared jointly between the Catalan Government, through the department in charge of health matters, and Barcelona City Council, within the framework of the Cooperation Agreement both parties signed on 27 January 2010.

The purpose of the Consortium is the provision of health and social health services and knowledge development in the areas of healthcare and health sciences, mainly within the geographical limits of the city of Barcelona.

For the provision of care services the Consortium took over the cooperation agreements and contracts held by IMAS, the Municipal Institute for Health Care (*Institut Municipal d'Assistència Sanitària*), an autonomous administrative agency of Barcelona City Council, and by CatSalut, the Catalan Health Service; it also took over other agreements or contracts for health care, teaching and research services originally signed by IMAS with public or private entities. The Consortium also took charge of goods and properties owned by IMAS and its assets and liabilities.

The CMPS is an integrated service provider which brings together all levels of health care, including units involved in research and teaching. It is comprised of ten centres with 1,400 beds and 3,338 professionals: two hospitals (*Hospital del Mar* and *Hospital de l'Esperança*); the Municipal Institute for Medical Research (IMIM); two centres for a range of in- and out-patient care (*Centre Fòrum* and *Centre Peracamps*); one for mental health care (in the Sant Martí district); a dispensary for drug addicts in the Barceloneta district; two family planning and reproductive health centres (in the Ciutat Vella and Sant Martí districts); and the Dr. Emili Mira i López care centres (CAEMIL) in Santa Coloma de Gramenet.

The CMPS managed a budget for €315.33m in 2011, with a deficit of €6.85m. The Balance Sheet at the end of the 2011 financial year showed assets and liabilities of €316.58m and the Profit and Loss Account showed a loss of €5.96m.

In accordance with the report's aim, scope and methodology, as specified in the Introduction, in the view of the Public Audit Office, except for the effects of circumstances described in findings 3, 4 and 6, the annual accounts represent, in all significant aspects, a true and fair view of the assets and financial position of the CMPS as at 31 December 2011, and also of the results, cash flow and budget outturn for the financial year ending on that date, according to the financial reporting regulatory framework applied and, in particular, the accounting principles and criteria contained within this framework.

In section 3 of the report there is a summary of the main findings and recommendations from the work carried out, of which the following may be highlighted:

- In the financial year audited the Consortium used the Spanish General Accounting Plan (*Plan general de contabilidad*) to record its assets and operations. However, as a consortium with a majority holding by the Catalan Government, it should have used the General Public Accounting Plan for the Government of Catalonia.
- The 2011 year-end debit balance of €80.94m for services rendered to CatSalut was overvalued by €55.60m; this corresponded to budgeted revenues from contributions and subsidies from CatSalut which were not registered as recognised liabilities in the CatSalut expenditure budget. Budgetary revenues for the financial year were also overvalued by €29m; this amount related to contributions from CatSalut which that organisation had not recognised.
- The Consortium registered the movable assets ceded to it when it took over the Dr. Emili Mira i López care centres as Subsidies, donations and legacies, in the liabilities section of the Balance sheet, when it should have registered them as Assets received on loan.
- Given the financial position of the affiliated company CRC-MAR, SA, which subsequently went into receivership, the Consortium should have made valuation adjustments for the worsening of doubtful debt and registered the corresponding expense item, for at least the equivalent amount, in the outstanding net debit balance with CRC-MAR, SA.
- The Consortium did not have any official representing the comptrollership function on its procurement panels; this contravenes regulations.
- In the area of procurement, in 2011 a number of suppliers invoiced the Consortium for amounts above those which had been awarded in the purchasing process for various services and supplies. And the organisation had no procedure in place to monitor the expenditure incurred under the contracts which had been awarded.
- In regard to the building work for the Neuroangiography Unit at the *Hospital del Mar*, there is no evidence of the procedure used to award the drafting of plans to the

contractor, who was also charged with various minor contracts which, given the total amount involved, should have been awarded using the tendering process envisaged by the relevant legislation. The criteria for awarding building contracts, which emphasized pricing and completion times, bear little relationship to the delays and final costs of the work carried out.

- The Consortium awarded various contracts for supplies and services using the unpublicised negotiated procedure, purportedly because of specific technical requirements, without providing sufficient justification for it being impossible to obtain bids from other suppliers or without making adequate arrangements to ensure real competition.
- The Audit Office sees two infringements of incompatibility rules relating to the legal advisory and general secretariat professional services contracted by the Consortium.
- As regards personnel expenditure, there were five findings relating to severance payments made for unfair dismissal, senior management contracts and pay packages and the incompatibility regime for medical staff from the Consortium who were providing tuition at university centres with agreements with the CMPS.

Lastly, in its recommendations, the Audit Office highlights the importance of establishing channels and internal procedures to oversee procurement and establishing measures to ensure effective competition in all tendering processes.

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