
SUMMARY

Summary of Report 19/2021, relating to Barcelona Provincial Council's Strategic Plan for Grants, year 2017

Barcelona, 24 November 2021

The Public Audit Office for Catalonia has issued Report 19/2021, relating to Barcelona Provincial Council's Strategic Plan for Grants (SPG), year 2017, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Miquel Salazar, was approved by the Audit Office Board at its meeting on 26 October 2021.

The subject of this report is a limited scope audit of the SPG of Barcelona Provincial Council (*Diputació*), covering both financial aspects and compliance with applicable legislation, corresponding to year 2017.

Barcelona Provincial Council's SPG for year 2017 was for a total of €343.93m and included 441 categories of grants or subsidies and 3,021 beneficiaries. During the year €74.51m in modifications to the budget allocations for these grants were approved, bringing the final figure for the SPG in year 2017 to €418.44m.

The most significant findings arising from the audit carried out, as presented in section 3.1 of the report, can be summarised as follows:

Direct contributions to organisations

- The contributions made to five organisations in which Barcelona Provincial Council had some sort of stake were not undertaken in accordance with its Budgetary Execution Rules (BEP), because no proof was obtained of these entities having sent in an annual report of their activities or their annual accounts for the year, or that the corresponding division for grant administration had drawn up a report to confirm fulfilment of the purposes for which the awards had been made.
- The contribution to the UNED (Spain's National University for Distance Education) was based on a cooperation agreement signed in 2002 and renewed each year. This was contrary to the stipulations of the Council's BEP, which set a four year limit for all co-operation agreements signed with any entity. Barcelona Provincial Council should therefore have signed a new cooperation agreement to cover this payment.
- The contributions to two entities were boosted with supplementary budget allocations of €212,500 and €245,000 respectively. These modifications to the initial amounts established

in the SPG call into question the principles of publicity and transparency which all grants should comply with, because they were never publicised.

Grants awarded directly

- The Agreement for Transferring Mental Healthcare and Social Healthcare Services at the Doctor Emili Mira i López Healthcare Centres to the Catalan Government Administration stipulated that the contributions to be made by the Provincial Council, to compensate for part of the personnel expenditures for transferred staff, were to be settled up at the close of each financial year and not later than 31 March of the following year. The compensation payments made in year 2017 corresponded to balances dating back to year 2012.
- The grants analysed which involved collaboration with third sector social organisations were awarded directly through cooperation agreements, without the mandatory report for awarding these types of grants, detailing the purpose of the grants, the reasons of public interest behind them and the circumstances precluding a public announcement calling for applications. Given the existence of a wide range of organisations undertaking activities with the same characteristics as those being subsidised, the Council should have opted for a competitive grant awarding process.
- The agreements with the Catalan Association of Youth Leisure Groups (*Associació Catalana de l'Esplai*) and the Catalan Sports Federation for the Mentally Handicapped (*Federació Catalana de l'Esport per a Disminuïts Psíquics*) stated that the grant amounts would be shared out using a points-based system, without specifying the criteria governing this distribution, thereby possibly compromising the principles of publicity and equal treatment of beneficiaries.
- The review of the agreement with the Catalan Housing Agency detected that it did not establish the criteria for distributing the grants between the beneficiary organisations. In addition, the Steering Committee which was to carry out the functions of coordinating, executing and assessing how the agreement's purposes had been met was never set up.

Competitive awarding processes

- For the grants in the Complementary Programme for Promoting Local Employment, the SPG for 2017 did not include the sums awarded to four organisations, totalling €165,272.
- The review of the grants for public health undertakings showed that the assessments of applications in four of the grant processes had established subcriteria which had not been envisaged in the regulatory regime laid down in Council's Catalogue of Services. This was a breach of the objectivity, equality and non-discrimination principles which should govern the awarding of grants.

One of the grants awarded corresponded to a specific payment to a municipal council to help organise a medical conference, an activity that was not included in the Catalogue of Services for 2017. This grant should have been arranged as a grant payment to a named beneficiary in the budget.

Lastly, the report includes various recommendations which, in the Audit Office's opinion, would help to improve some of the issues mentioned in the findings. One of the recommendations the Audit Office makes is that the Provincial Council should review how it draws up its SPG, in order to define more precisely each of the different types of grant or subsidy to be included in the plan, and the procedures for awarding them. Another of the recommendations refers to the fact that, wherever possible, the Council needs to opt for a competitive grant awarding process.

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