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## **SUMMARY**

### **Summary of Report 6/2017, relating to the Barcelona Social Services Consortium, year 2014**

*Barcelona, 7 June 2017*

The Public Audit Office for Catalonia has issued Report 6/2017, relating to the Barcelona Social Services Consortium (CSSB), financial year 2014, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Andreu Morillas, was approved by the Audit Office Board at its meeting on 27 May 2017.

The purpose of the assignment was a limited financial audit covering budget execution, the budget outturn and the area of fixed assets, plus a limited legal compliance audit covering governmental procurement, cooperation agreements and personnel expenditure.

The Barcelona Social Services Consortium was created by Barcelona's Municipal Charter and set up in 2006 by the Catalan Government (*Generalitat*) and Barcelona City Council. Its purpose is to manage, within Barcelona's city limits, the services and facilities and the programmes and activities relating to prevention and care of five groups of people: children at risk or who have been abandoned, people with handicaps, women who are victims of male violence, people unable to care for themselves and drug addicts.

In year 2014 the CSSB was in charge of a total of sixty-one centres in Barcelona, with a combined total of 1,047 places, and a workforce of 144 employees.

The Consortium's initial budget for the 2014 financial year was for €41.17m. The Budget Outturn as at 31 December 2014 showed realised revenues of €43.69m and recognised expenditures of €44.43m, with a deficit of €731,529.

The Conclusions section of the report includes the most significant findings from the audit carried out, some of which are summarised here:

- The Consortium submitted its Budget Outturn and Annual Accounts for the 2014 financial year to the Public Audit Office after 30 April 2015, thus not complying with the legally established deadline.
- The CSSB's Board of Management gave its approval to a negative budgetary Net Working Capital (*Romanent de tresoreria*) figure as at 31 December 2014 of minus €1,447,976. However, according to the figures given in the Budget Outturn and the

accounts for the year, this year-end budgetary Net Working Capital as calculated by the Audit Office came to minus € 835,958.

- Thirteen of the fourteen buildings given over to the CSSB by the Consortium's member institutions were not registered in the CSSB's asset accounts, contravening the requirements of the Catalan Government's General Public Accounting Plan.
- In the area of procurement, in some contracts for services anomalies were found relating to the contracts' subject matter and the amounts and dates in the procurement files, which let the Audit Office to believe that there had been an improper splitting up of a contract. These contracts were for the same purpose and they should therefore have been procured jointly, which would have led to using a competitive tendering procedure.
- In twelve low-value contracts audited the amounts invoiced were over the amounts authorised for the contract. And in seven of these contracts the total amount invoiced by the supplier was over the limit established in procurement legislation for low-value contracts; these contracts should therefore have been procured using a competitive tendering procedure.
- The CSSB tendered most of its contracts for running public services using the unpublicised negotiated procedure because of their exclusive nature. The Audit Office considers that the Consortium did not sufficiently explain or justify why it needed to use this procedure.
- The contracts for running public services formalised by the CSSB were initially valid until 31 December of the year the contract was signed; after that, one-year extension agreements were signed, as envisaged in the initial contracts, allowing them to run for a maximum of six years.

Setting an initial duration for the contracts of less than one year was in breach of article 23 of Spain's Consolidated Public Sector Contracts Act, and the maximum duration of the possible extensions was contrary to the complementary and transient nature expected of an extension agreement.

- The Consortium used a cooperation agreement to formalise its dealings with a private foundation when the arrangements had the characteristics of a contract to run public services.
- As regards personnel, the Consortium applied Barcelona City Council's Agreement on Working Conditions for years 2013-2015 to Council staff seconded to its centres. Based on this Agreement, these staff members were given a third annual bonus, related to attendance and punctuality, when civil service regulations only provide for two annual bonuses.

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