
SUMMARY

Summary of Report 17/2015, relating to the Autonomous University of Barcelona, years 2010, 2011 and 2012

Barcelona, 28 October 2015

The Public Audit Office for Catalonia has issued report 17/2015, relating to the Autonomous University of Barcelona, for financial years 2010, 2011 and 2012, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 28 July 2015.

The regularity audit undertaken includes a review of the annual accounts of the Autonomous University of Barcelona (UAB) for the aforementioned financial years, to check that they have been presented in accordance with the relevant financial reporting regulatory framework and, in particular, according to the accounting principles and criteria contained therein. It also includes verifying that in the period covered by the audit the UAB has carried out its activities in accordance with applicable legislation.

The period audited was characterised by the economic downturn, measures to rein in expenditure and reduce public deficit as laid down by both central and regional government, and a large reduction in public sector funding contributions, leading to considerable liquidity problems for the University. In activities relating particularly to the university sphere, the most outstanding features were the full implementation of the European Higher Education Area, with bachelor degree qualifications and official masters degrees and the gradual phasing out of the previous two-tier degree qualifications, and changes in public university fees, with a large fee increase in year 2012-2013 and the introduction of a means-based payment system starting in year 2011-2012.

In the 2012-2013 academic year the UAB had 30,952 students enrolled; new students totalled 8,342 and 6,332 graduated. In 2012 the UAB had 3,247 TRS (teaching and research staff) and 1,753 ASS (administration and services staff). The budget for 2012 was for €297.86 m; realised revenues totalled €299.55 m and recognised liabilities, €313.74 m. The accumulated deficit as at 31 December 2012 was €65.14m according to the University's annual accounts, and €66.47 m according to the Audit Office.

In the Conclusions section of the report an audit opinion is given along with a summary of the main findings and recommendations arising from the work carried out.

Bearing in mind the aim, scope and methodology used for the report, as specified in the Introduction, the opinion of the Audit Office is that, except for the possible effects of the limitation described in finding 2 and the circumstances described in finding 1, the annual accounts present in all significant aspects a true and fair view of the assets and financial position of the UAB as at 31 December 2012, and also the results, cash flow and budget outturn on that date, according to the applicable financial reporting regulatory framework and, in particular, the accounting principles and criteria contained therein.

The two findings mentioned in the audit opinion are the following:

1. In the opinion of the Audit Office, the budgetary year-end net working capital (*romanent de tresoreria*) as at 31 December 2012 given by the UAB was overvalued by € 11.88 m (the earmarked net working capital was overvalued by € 10.55 m and the general net working capital undervalued by € 1.33 m). And the debtors and equity items in the Balance Sheet were overvalued by € 9.44 m.
2. The amounts registered as revenues and expenditures and the balances outstanding to be received from or paid to the Agency for Managing University and Research Grants (AGAUR) have not been reconciled. Therefore the Audit Office has been unable to reach a conclusion on these amounts.

Below are highlights of other findings included in the Conclusions section of the report:

- The information on year-end surpluses or shortfalls provided by the UAB has not allowed a full analysis to reach a conclusion on how they should be classified as at 31 December 2012.
- As at 31 December 2012 the UAB had € 45.42 m of revenues pending from the Government of Catalonia, accrued in 2011 or earlier. This delay in payments from the Catalan Government is causing significant liquidity problems and financing costs for the University, and may compromise its ability to function properly.
- As at 31 December 2012 the UAB was in a delicate financial position, with a negative general year-end net working capital of minus € 65.14 m. On 19 December 2012 the Finance Committee of the UAB's Social Council approved the general outline and dates for drawing up the Budget Stabilisation Plan.
- For the three financial years audited, the Catalan Government's approval of personnel expenditure was given after the financial year had finished.
- The University paid the civil servant ASS several wage items not included in Decree 1/1997, which regulates the Civil Service in Catalonia, on the basis of various agreements reached with representatives of this staff group.
- The UAB incorrectly applied a reduction of 22.5 hours to the annual working hours of the ASS approved by the Board of the Interuniversity Council for Catalonia on 29 May 2012 to comply with Act 5/2012.

- The UAB did not implement any measures in regard to the twenty-fourth additional provision of Act 5/2012 in terms of reducing the working hours and salaries of non-permanent ASS.
- In the opinion of the Audit Office, the Emeritus Staff Plan approved by the UAB constitutes the creation of a new faculty category not envisaged in current legislation, by assigning emeritus status to lecturers over 60 and under 69 years of age who request it. In May 2012 the UAB suspended the application of this Plan as far as adding new lecturers was concerned.
- The Regulations for UAB Teaching Staff include the role of “teaching and research collaborators”. This does not correspond to any of the statutorily defined TRS categories. The regulatory provisions for this role include some aspects which could give rise to situations equatable with an employment contract and which could constitute the creation of TRS categories not envisaged by current legislation.
- Various findings emerged from the review carried out of individual ASS and TRS wage payments; details can be found in section 2.5.1 of the report.
- Regulatory provisions for UAB permanent training programmes in force during the audited years did not include aspects such as lecturer commitment or remuneration or the procedure to be followed in the event of a loss-making course. The UAB did not provide a break-down of courses run by the Postgraduate School to allow performance during the audited period to be analysed.
- In the audit of procurement procedures which were undertaken by the University during the years under review various anomalies were brought to light which are described in section 3 of the report.

The Conclusions section also includes a series of recommendations which would help to improve the aspects mentioned in the report, of which the following two can be highlighted:

- The UAB should undertake an analysis of the different entities it has holdings in bearing in mind their purpose, structure, activities and inputs/outputs and, if necessary, take action in terms of organisation structure and financing to ensure that they contribute to the University’s aims and improve effectiveness and efficiency. Furthermore, over those entities where it has a majority stake holding, the UAB should exercise a level of control equivalent to that maintained over its own in-house services.
- The Social Council should ensure compliance with current legislation relating to budget stability, draw up a Budget Stabilisation Plan, promote measures to ensure it is implemented and monitor the results.

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