

SUMMARY

Summary of Report 22/2021, relating to Citizens' Guaranteed Income, year 2018

Barcelona, 22 December 2021

The Public Audit Office for Catalonia has issued Report 22/2021, relating to Citizens' Guaranteed Income (CGI) in year 2018, in accordance with its Annual Programme of Activities.

The report, which was presented by the Chairman, Mr Jaume Amat, was approved by the Audit Office Board at its meeting on 9 November 2021.

The subject of the report is a limited scope audit of CGI benefits awarded by the Department for Work, Social Affairs and Families (DTASF). This included auditing compliance with legal requirements and analysing procedures and the way these benefits were administered.

The Citizens' Guaranteed Income Act (Catalan Act 14/2017, of 20 July), created this social benefit with the aim of guaranteeing minimum access to a decent standard of living for those persons and households lacking sufficient income to ensure it. The Act also created the activation and integration supplementary benefit (AISB), targeted at beneficiaries' social inclusion or labour market integration. The CGI Act also modified the Social Benefits of a Financial Nature Act (Catalan Act 13/2006, of 27 July), and established supplements to non-contributory pensions and other state (central government) grants and benefits, to bring the amounts of these benefits up to a figure equivalent to guaranteed income plus AISB.

Recognised expenditures in the DTASF's expenditure budget for year 2018 for the benefits recognised in the CGI Act came to €312.52m, of which €240.51m were allocated in the budget to the Directorate-General for Social Economics, the Third Sector, Cooperatives and Self-Employment (DGESTSCA) and €72.01m to the Directorate-General for Social Protection (DGPS).

In the period between September 2017, when the CGI Act came into force, and December 2018, the DGESTSCA and the DGPS processed a combined total of 89,471 applications corresponding to citizens' guaranteed income and supplements to state pensions or allowances. Of these applications, 13,533 were accepted (18.1% of resolved files), 61,080 rejected (81.9% of resolved files) and 14,858 were pending resolution as at 31 December 2018.

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

- In the sample analysed some people or households that were receiving CGI or supplements to state benefits or allowances also received AISB even though they had not signed up to any social inclusion or labour market integration plan.
- In a few instances, no requirement or check was made to ensure that main and secondary beneficiaries of CGI or supplements to state pensions or allowances were registered as job-seekers and had not voluntarily left employment in the twelve months prior to their application for the benefit; this was contrary to the stipulations of the CGI Act.
- The DGPS failed to request pay-slips, to ascertain people's exact job income, in order to subtract this figure from the benefit awarded, if the household did not exceed the income threshold for receiving CGI, or to terminate the benefit, if the figure went above the threshold.
- The DGESTSCA awarded the supplement to state pensions or allowances to the heads of households where one of the beneficiaries, who was not the main applicant, was receiving a state pension or allowance; this contravened the regulations.
- The DGPS terminated the supplement to state allowances when the main applicant or beneficiary of this benefit got a full time job contract, when it should have suspended the supplement and paid the AISB for six months.
- The DGESTSCA reached decisions on 24.9% of the CGI applications and 88.6% of the applications for supplements to state pensions or allowances after the statutory deadline. The DGPS reached decisions on 78.5% of the supplements to other pensions or allowances and 91.9% of the supplements to non-contributory pensions after the statutory deadline.
- The CGI Act made it mandatory to review every two years that causes were ongoing and conditions being met to be eligible for the benefit. In September 2019, the DGESTSCA had not checked that requirements were still met by beneficiaries of 67.3% of the benefits that had been in place for more than two years.
- Some of the decisions turning down applications for CGI and supplementary benefits and some of the decisions to modify or terminate these benefits made reference to generic causes and did not detail the specific reasons which, in each case, had led to the benefits being refused, modified or terminated.
- The Department did not have monitoring and evaluation systems involving indicators, to enable it to assess the results of applying the CGI Act. Data from the AROPE indicator, a Eurostat index which measures the risk of poverty or social exclusion, showed that in 2018 24.7% of the population of Catalonia was at risk of poverty or social exclusion. As at 31 December 2018, just 1% of the population was receiving CGI benefits, supplements to state pensions or allowances, or supplements to non-contributory pensions. It can therefore be concluded that the CGI Act has been insufficient to ensure a decent standard of living for people in conditions of poverty.

In section 3.2, the Audit Office makes three recommendations, referring to the need to revise the terms of the Citizens' Guaranteed Income Act, to improve the computer programme used to administer the benefits, and to improve how the Citizens' Guaranteed Income Act is publicised.

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