

## **SUMMARY**

### **Summary of Report 14/2017, relating to El Pla de l'Estany County Council, year 2013**

*Barcelona, 2 October 2017*

The Public Audit Office for Catalonia has issued Report 14/2017, relating to El Pla de l'Estany County Council, financial year 2013, 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 25 July 2017.

The purpose of the audit was to review internal controls, the approval and submission of the Council's General Account and Budget, financial debt levels, personnel expenditure plus the other expenditures in the Operating Statement and governmental procurement, corresponding to the 2013 financial year, to check that they had been reported in accordance with the relevant financial reporting regulatory framework and applicable legislation.

The Budget Outturn for year 2013 reported recognised revenues of €10,643,053, recognised expenditures of €10,275,379, and a budgetary result of €367,674. Taking into account expenditures funded from budgetary net working capital carried over (*Romanent de tresoreria*) and funding deviations, the Adjusted Budgetary Result came to €6,428.

The Conclusions section of the report includes the most significant findings from the audit carried out, which can be summarised as follows:

- The adjusted figure in the budgetary result for expenditures funded from the budgetary surplus for general expenditures, €949,419, corresponded to the sum total of surpluses carried over from year 2012, whereas the recognised expenditures in the modified line items came to €519,068. Thus, the figure for expenditures funded from the budgetary surplus for general expenditures should have been €519,068 instead of €949,419, and the adjusted budgetary result minus €423,923, instead of €6,428.
- The County Council did not properly monitor expenditures using earmarked funds, so as to be able to calculate funding deviations as required by the Accounting Instruction for Local Government; it was therefore not possible to determine the figure for the adjustments to be included in the budgetary result.

- Budget surpluses carried over from previous years included €127,367 corresponding to uncommitted budgetary funds; these did not meet statutory requirements to be carried over.
- Capital grant transfers deriving from the regional Single Works and Services Plan, registered in the Council's revenue and expenditure budgets, should have been recorded in the off-budget accounts, according to public sector accounting principles.
- In year 2013 the Council recorded a figure of €273,736 for a €400,000 loan, arranged during year 2012, which was not accounted for in that year. The Council should have recorded a budgetary revenue item for the difference, €126,264, classified under the heading of long term debt.
- As regards personnel expenditure, the report notes that the official Schedule of Staff Positions was never publicised, and that it did not include the specific bonuses for the Secretary and Comptroller or the salary arrangements for staff seconded from the autonomous agency Special Work and Employment Centre for El Pla de l'Estany. The audit also detected that the productivity bonus was paid on a monthly basis; the Audit Office was not able to confirm that it really corresponded to the special effort, exceptional activity, interest and initiative of those who received it. There was also no evidence to show that the productivity bonus had been properly publicised.
- As regards governmental procurement, certain anomalies were found in the tendering process of the contract to bury utility lines and pave streets in Riudellots de la Creu, in the borough of Palol de Revardit. The audit also noted that the Council periodically renewed contracts for supplies and services with the same suppliers using low-value contracts when, to avoid what could be construed as contract splitting, they should have been tendered out using one of the procedures envisaged in public procurement legislation.

The report includes a series of recommendations which, in the Audit Office's opinion, would help to improve the running of the County Council.

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