

SUMMARY

Summary of Report 20/2017, relating to Barcelona's central market, Mercados de Abastecimientos de Barcelona, SA (Mercabarna), year 2014

Barcelona, 17 January 2018

The Public Audit Office for Catalonia has issued Report 20/2017, relating to Barcelona's central market, Mercados de Abastecimientos de Barcelona, SA (Mercabarna), financial year 2014, in accordance with its Annual Programme of Activities.

The report, which was presented by the acting Chairman, Mr Jaume Amat, was approved by the Audit Office Board at its meeting on 7 November 2017.

The regularity audit included a review of Mercabarna's annual accounts for the year in question, to check that they had been drawn up in accordance with the relevant financial reporting regulatory framework and, in particular, according to the accounting principles and criteria contained in that framework. It also included verifying that in the period covered by the audit Mercabarna had carried out its activities in accordance with applicable legislation.

Mercabarna is a public sector joint stock company charged with running the mandatory public services of the central wholesale markets for fruit and vegetables and for fish in the city of Barcelona, and also with providing the services of flower market and meat slaughterhouse. It was set up in 1967 and Barcelona City Council has a 50.7% indirect share holding, through the company Barcelona de Serveis Municipals SA; the company MERCASA (Mercados Centrales de Abastecimiento, SA) has a 36.8% holding; Barcelonès County Council has a 12.2% holding; and 0.3% of shares are held by Mercabarna itself.

The Audit Office's opinion is that the annual accounts represent in all significant aspects a true and fair view of the assets and financial position of Mercabarna as at 31 December 2014, and also of its results and cash flow corresponding to the financial year ending on that date.

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

- Mercabarna had not registered the current distribution of the plots of the Food Unit or the notarised deeds for new buildings at the Property Registry. The company should take the necessary steps to correct the registry status of the Food Unit.

- Capital assets held for leasing out, such as the buildings and premises in the ancillary activities area and the flower market, should be classed under Property Investments, to comply with the General Accounting Plan.
- The regulations for the running of the central fruit and vegetable market and for the fish market stipulate that the maximum authorised time period, including all extensions, for being a stallholder is fifty years. The audit found that thirty-three of the four hundred and forty-one stalls in the central fruit and vegetable market were over this limit, as were twenty of the ninety-four stalls in the central fish market.
- The audit of the liabilities item Deposits Held found €113,828 corresponding to deposits for finalised contracts which had still not been returned to the lessees.
- The review of the hiring of staff found that in six instances adequate justification of the urgent and non-postponable nature of the need for hiring was not given.
- As regards governmental procurement, the audit findings include comments on the need to improve the entity's Internal Instructions on Procurement, on insufficient evidence of negotiations with tenderers in contracts tendered out using the negotiated procedure, on one instance of no written contract being signed, and on two contracts which were not publicised even though, according to regulations, the contracts' characteristics and the amounts involved meant that they should have been made public.

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