

SUMMARY

Summary of Report 3/2019, relating to the Catalan Sports Council, year 2016

Barcelona, 26 April 2019

The Public Audit Office for Catalonia has issued Report 3/2019, relating to the Catalan Sports Council (CCE), financial year 2016, 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 26 February 2019.

The subject of this report is the audit of the CCE's budget outturn and management performance, along with a review of compliance with the basic legal requirements applicable to it in the areas of accounting, budgeting, procurement, grants and staff salaries.

The CCE is an autonomous administrative agency which reports to the First Minister's Department (*Departament de la Presidència*) through the General Secretariat for Sport. The Catalan Sports Act charges the CCE with directing and managing government activities relating to sports. In year 2016 the CCE had realised revenues of €44.94m and recognised expenditures of €44.63m.

The Conclusions section of the report presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- The CCC did not have a complete inventory of its capital assets including valuations; thus, the figures for fixed assets on its Balance Sheet did not show the value of all its properties, only that of the building works carried out there. The CCE had not included on its books any of the properties designated or loaned to it because it did not know their value; for this reason fixed assets and net worth as reported on its Balance Sheet were undervalued.
- The CCE had loaned on to third parties, at no cost, several buildings which it owned or which the Catalan Government (*Generalitat*) had loaned or designated to it and one building which it rented in Tarragona. The Audit Office considers that these loans were grants in kind which required compliance with the rules of publicity and competition and which should be dealt with in accordance with the rules for Catalan Government property assets.
- Article 8 of the General Subsidies Act stipulates that entities which plan to arrange and offer grants must first draw up a Strategic Grant Plan. For year 2016 the CCE had not approved any such plan.

- The decisions awarding grants through a competitive process were made after most, or all, of the delivery period covered had already taken place. In addition, thirteen agreements to award direct grants (76.47% of the total) were signed in the months of October, November and December 2016, when a considerable part of the delivery period had already passed; and for five awards the funding agreement was signed after the delivery period had finished.
- The assessment reports evaluating applications in two awarding processes included the tables (spreadsheets) of the points given to the applicants in accordance with the assessment criteria, but there was no evidence of the reasons to justify those scores.
- When assessing the applications in two awarding processes new parameters and scorings were established which had not been envisaged in the rules established in the calls for applications.
- In the assessment reports for two awarding processes the audit found that in fourteen instances the scores given did not correspond to what the rules for that grant had specified. This affected the final amount awarded as a grant.
- The report highlights various cases of non-compliance with article 94.2 of the Consolidated Catalan Public Finance Act, which states that, in exceptional cases, grants or subsidies for unspecified recipients or of a general nature can be awarded directly when proof is given that a public competitive award process is impossible because of the special characteristics of the beneficiaries or the activities to be carried out.
- In eleven grant procedures the awardees' justifications included expenditures which the Public Audit Office considered were not eligible; the CCE should revoke these amounts, totalling €330,429.
- In Report 21/2013, relating to the audit of the CCE in financial year 2010, the Public Audit Office recommended initiating the process to revoke three grant awards. In two instances, the corresponding decisions to revoke were made, whilst in the other case, in 2013, the CCE initiated the procedure to revoke the grant but later halted it, after accepting the justifications presented by the beneficiary. The documentation given to the Audit Office by the CCE did not provide justification for the part of the grant to be revoked.

Finally, in the Conclusions section of the report various recommendations are made which, in the view of the Audit Office, would help to resolve some of the issues mentioned in the Findings section.

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