

## **SUMMARY**

### **Summary of Report 2/2021, relating to the Barcelona Education Consortium, financial management at public teaching centres, year 2018**

*Barcelona, 31 March 2021*

The Public Audit Office for Catalonia has issued Report 2/2021, relating to the Barcelona Education Consortium (CEB), financial management at public teaching centres in year 2018, 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 9 March 2021.

The aim of the audit was an analysis of locally managed revenues and expenditures and compliance with legislation applying to these decentralised management arrangements by the public education centres in the city of Barcelona. These centres are the responsibility of the CEB, as laid down in the Barcelona Municipal Charter Act (Act 22/1998, of 30 of November) and in Decree 84/2002, of 5 February, which set up the CEB.

The population covered by the study comprised 295 centres (264 owned by the Department of Education and 31 owned by Barcelona City Council) with 126,822 students in the 2017-2018 academic year.

A sample of twelve centres was selected, nine belonging to the Department of Education and three belonging to Barcelona City Council.

Because the purpose of the report was to analyse teaching centres' financial management generally and detect areas for improvement which could be applicable to any of the system's centres, it was considered expedient not to specify in which teaching centres the issues described in the report were observed.

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

- To comply with the Public Sector Legal Regime Act (Act 40/2015, of 1 October), changes should have been made to the Barcelona Municipal Charter Act and, subsequently, to the CEB's Statutes, to bring them in line with the contents of this Legal Regime Act, including, amongst other aspects, which government administration the CEB belongs to. As at 30 November 2020 neither Barcelona's Municipal Charter nor the CEB's Statutes had been modified.
- The regulations governing how teaching centres are managed are both varied and complex and involve some legislation which has been partially repealed. This makes

correct application and compliance with the rules difficult for those running these centres, given that their training is not in law or finance but in teaching, and that they have to juggle their financial management role with their teaching work, supporting students, sorting out the curriculum, and so on.

- As regards budgeting, the audit found that in many cases no proper management of the budget cycle existed. This was clear from the existence of budgets which were not balanced, budget modifications not being included, budget approvals after the deadline, non-budgetary items being included in the budget, or the lack of any formal monitoring of the budget by the school's supervisory board.
- In relation to revenues derived from providing services, loaning out premises and arranging activities, the audit found a lack of criteria for setting prices, failures to formalise orders that were taken, accounting errors, and prices which had not been approved and publicised as required by regulations, amongst other issues.
- As regards expenditures, the audit found accounting errors, recurring payments to individuals which risked falling foul of employment legislation, failures to insist on e-invoicing by suppliers, and the incorrect countersigning of invoices, amongst other issues.
- The centres did not have comprehensive inventories of fixed assets with a description, purchase date and location for the different items included in them.
- The centres did not arrange proper procurement files for the low-value purchases made in year 2018.
- In some of the contracts reviewed certain anomalies were detected which constituted an improper splitting-up of a contract.
- Some centres had contracts still running which had been arranged years before and had exceeded the maximum duration permitted by regulations.
- The review of the three procurement procedures undertaken in year 2018 by centres in the sample uncovered various issues relating to the regulations and procedural steps followed, the contents of the tendering specifications, how offers were assessed and how contracts were formally awarded.

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](http://www.sindicatura.cat).