

SUMMARY

Summary of Report 21/2020, relating to the Institute for Healthcare Provision, year 2017

Barcelona, 11 November 2020

The Public Audit Office for Catalonia has issued Report 21/2020, relating to the Institute for Healthcare Provision (IAS – *Institut d'Assistència Sanitària*), financial year 2017, 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 14 October 2020.

The aim of the work carried out, a limited scope audit, was to review how the budget cycle, public sector procurement and personnel expenditure had been managed by the IAS in year 2017.

The IAS is a public enterprise set up for the purpose of managing and running the services relating to healthcare which Girona Provincial Council (*Diputació*) transferred to the Catalan Government (*Generalitat*). It currently provides healthcare, social healthcare and mental health services through its centres in the Martí i Julià Hospital Complex in Salt, where the Santa Caterina Hospital is located, the Mental Health Network for Counties in the Girona Area, and the primary healthcare areas of Anglès, Breda-Hostalric and Cassà de la Selva.

Budgeted revenue and expenditure levels in the IAS's budget for year 2017 were set at €98.94m and it had a year-end budget surplus of €20,569. Budgetary year-end net working capital (*romanent de tresoreria*) as at 31 December 2017, according to the annual accounts presented by the IAS, came to €9.37m.

Section 3 of the report, Conclusions, describes the most significant findings which came to light during the audit assignment, which can be summarised as follows:

- The Audit Office calculated an adjusted year-end budget surplus of €49,068, instead of the €20,569 which the IAS reported.
- According to legislation, the IAS had the status of a governmental contracting authority. Because of this, it should have applied all the law relating to public sector procurement, instead of just applying a set of internal instructions on procurement for contracts not subject to harmonised rules. This meant it actually used a higher threshold figure for low-

value contracts than the one laid down in Spain's Consolidated Public Sector Contracts Act.

- A comparison between the figure for contracts awarded and the one in the accounts for actual expenditures showed €12.55m in over-spending in relation to the amounts in the contracts.
- As regards procurement procedures, various irregularities were found in the drawing up, tendering and awarding of contracts.
- In year 2017 the IAS had staff who had been seconded to work full-time at the Catalan Health Institute (ICS) and there were also ICS staff members who had been seconded full-time to the IAS, based on the strategic alliance framework agreement between the ICS and the IAS. Given the structural nature of these posts, they ought to have been filled by staff belonging to the actual institution involved and been subject to the relevant co-operation agreement.
- The staff on business contracts who were providing the ophthalmology and dentistry services were in job positions of a structural nature, which should have been filled with staff hired on employment contracts instead of through service contracts.
- In 2017 the entity hired twenty-three people to fill vacant posts even though, according to the replacement ratio established in Spain's State Budget Act for Year 2017 (Act 3/2017, of 27 June), it should only have been able to take on seven people.
- In the audited year the IAS did not have an official Schedule of Staff Positions.
- The Audit Office did not obtain any justification for various salary bonuses paid to IAS staff members but not foreseen in the collective bargaining agreement, which totalled €72,343 in year 2017. Nor did the IAS justify its calculations for various salary items envisaged in the collective bargaining agreement, totalling €25,458, which affected eight employees in the audit sample.
- In year 2017 nine managers were paid their salary without their wage figures being approved by the IAS's Board of Directors. The Board only ratified the IAS's management structure with the salary for each manager in 2019. In addition, the Audit Office found no evidence for the Board of Directors having approved the managers' objectives for 2017 or each individual's achievement levels.
- The IAS improperly paid the former joint ICS and IAS deputy manager a total of €73,369 in compensation payments for services rendered between 2016 and 2018. These unwarranted payments should have been the subject of a repayment order to get them returned. At the time of writing, the Audit Office has no evidence that the IAS's Board of Directors has made any decision to have the issue resolved.

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