

SUMMARY

Summary of Report 10/2018, relating to the Joint Service Entity for Sewage Treatment for Boroughs in El Bages, year 2015

Barcelona, 4 July 2018

The Public Audit Office for Catalonia has issued Report 10/2018, relating to the Joint Service Entity for Sewage Treatment for Boroughs in El Bages (*Mancomunitat de Municipis del Bages per al Sanejament*), financial year 2015, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Miquel Salazar, was approved by the Audit Office Board at its meeting on 15 May 2018.

The limited audit carried out included a review of the budget outturn and compliance with applicable legislation in the areas of accounting, budgeting, staffing, grants and procurement.

The Joint Service Entity, which was set up in 1986, is comprised of fourteen borough councils, twelve from the county of El Bages, and two from the county of El Moianès. In the 2015 financial year its main activity was managing and running the sewage drainage and treatment systems.

Actual delivery of the Entity's sewage treatment service is undertaken by the municipal water company Aigües de Manresa, SA, a joint stock company wholly owned by Manresa City Council. This company's Statutes establish that it has the status of an in-house provider and technical service for Manresa City Council and for all the other intermunicipal or supramunicipal government entities which the Council has stakes in. In this respect, the Joint Service Entity has an in-house sourcing agreement with Aigües de Manresa, SA for providing the sewage treatment service.

The most significant findings from the audit carried out, as explained in section 3 of the report, can be summarised as follows:

- In the Audit Office's opinion the company Aigües de Manresa, SA cannot be considered an in-house service provider for the Joint Service Entity.
- The Entity did not hold an inventory of assets as required by articles 100 and following of Decree 336/1988, of 17 October, the statutory instrument which approved the Regulations for Property Held by Local Government Entities in Catalonia, nor did it have any evidence of who held the title to the facilities it managed. Not having an inventory or

knowing who held the title to the facilities made it impossible to know which property assets were held on loan or designated to be used by the Entity, and which it officially owned; it also made it impossible to make a valuation of their worth.

- The Entity's budget for year 2015 was given final approval by its General Assembly on 20 January 2015, after the statutory deadline of 31 December 2014.

The report includes a list of recommendations that, in the Audit Office's opinion, would help to improve the running of the Entity.

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